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# **Transcript of Matthew T. DiOrio**

**Date:** July 23, 2021

**Case:** UBS Securities LLC, et al. -v- Highland Capital Management, L.P.

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<p>1 IN THE UNITED STATES BANKRUPTCY COURT 2 FOR THE NORTHERN DISTRICT OF TEXAS 3 DALLAS DIVISION</p> <p>4 In re § 5 HIGHLAND CAPITAL § Chapter 11 6 MANAGEMENT, L.P., § Case No. 19-34054-SGJ11 7 Debtor. § 8 UBS SECURITIES LLC AND § 9 UBS AG LONDON BRANCH, § 10 Plaintiffs, § 11 VS. § Adversary Proceeding 12 HIGHLAND CAPITAL § No. 21-03020-sgj 13 MANAGEMENT, L.P., § 14 Defendant. §</p> <p>15 HIGHLY CONFIDENTIAL 16 SUBJECT TO PROTECTIVE ORDER 17 INFORMATION REDACTED</p> <p>18 Videotaped Deposition of 19 MATTHEW T. DiORIO 20 Dallas, Texas 21 Friday, July 23, 2021 22 9:44 a.m.</p> <p>23 Job No.: 386790 24 Pages: 1 - 346 25 Reported by: Micheal A. Johnson, RDR, CRR</p>	<p>1 APPEARANCES</p> <p>2 ON BEHALF OF PLAINTIFFS 3 UBS SECURITIES LLC AND 4 UBS AG LONDON BRANCH:</p> <p>5 Sarah Tomkowiak 6 LATHAM &amp; WATKINS LLP 7 555 Eleventh Street, N.W., Suite 1000 8 Washington, D.C. 20004 9 (202) 637-2200 10 sarah.tomkowiak@lw.com</p> <p>11 Shannon E. McLaughlin 12 LATHAM &amp; WATKINS LLP 13 885 Third Avenue 14 New York, New York 10022-4834 15 (212) 906-4612 16 shannon.mclaughlin@lw.com</p> <p>17 ON BEHALF OF DEFENDANT 18 HIGHLAND CAPITAL MANAGEMENT, L.P.:</p> <p>19 Robert J. Feinstein (Via Zoom) 20 PACHULSKI STANG ZIEHL &amp; JONES LLP 21 780 Third Avenue, 34th Floor 22 New York, New York 10017-2024 23 (212) 561-7700 24 rfeinstein@pszjlaw.com</p> <p>25 ON BEHALF OF THE WITNESS:</p> <p>26 Frances A. Smith 27 ROSS &amp; SMITH, PC 28 700 N. Pearl Street, Suite 1610 29 Dallas, Texas 75201 30 (214) 377-7879 31 frances.smith@judithwross.com</p> <p>32 Debra A. Dandeneau 33 Michelle Hartmann 34 BAKER &amp; MCKENZIE, LLP 35 452 Fifth Avenue 36 New York, New York 10018 37 (212) 626-4875 38 debra.dandeneau@bakermckenzie.com 39 michelle.hartmann@bakermckenzie.com</p>
<p>1 Deposition of MATTHEW T. DiORIO, held at 2 the location of:</p> <p>3 Butler Snow LLP 4 2911 Turtle Creek Boulevard, Suite 1400 5 Dallas, Texas 75219 6 (469) 680-5500</p> <p>7 Pursuant to Notice, before Micheal A. 8 Johnson, Registered Diplomat Reporter and 9 Certified Realtime Reporter.</p>	<p>1 APPEARANCES CONTINUED</p> <p>2 VIDEOGRAPHER: 3 Brian Krieger</p>

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<p>9</p> <p>1 PROCEEDINGS</p> <p>2 THE VIDEOGRAPHER: Here begins disk No. 1</p> <p>3 in the videotaped deposition of Matthew DiOrio.</p> <p>4 This is in regards to the Highland Capital</p> <p>5 Management, LP. It is in the matter of UBS</p> <p>6 Securities LLC and UBS AG, London Branch versus</p> <p>7 Highland Capital Management, LP. This is in the</p> <p>8 United States Bankruptcy Court for the Northern</p> <p>9 District of Texas, Dallas Division, filed as case</p> <p>10 number 19-34054-SGJ11.</p> <p>11 Today's date is Friday, July 23rd, 2021.</p> <p>12 Our time on the video monitor is 9:44 a.m. The</p> <p>13 videographer today is Brian Krieger representing</p> <p>14 PlanetDepos. This video deposition is taking</p> <p>15 place at Butler Snow at 2911 Turtle Creek</p> <p>16 Boulevard in Dallas, Texas.</p> <p>17 If counsel would please identify</p> <p>18 themselves for the record and whom they represent.</p> <p>19 MS. SMITH: Frances Smith with Ross &amp;</p> <p>20 Smith PC on behalf of the witness, Matt DiOrio.</p> <p>21 MS. HARTMANN: Michelle Hartmann of Baker</p> <p>22 McKenzie, also on behalf of the witness.</p> <p>23 MS. DANDENEAU: Debra Dandeneau from Baker</p> <p>24 McKenzie, also on behalf of the witness.</p> <p>25 MS. McLAUGHLIN: Shannon McLaughlin with</p>	<p>11</p> <p>1 A No.</p> <p>2 Q Okay. So just a couple of ground rules.</p> <p>3 I'm sure your counsel has gone over this with you,</p> <p>4 but most importantly, let's try not to talk over</p> <p>5 each other today and if you don't understand a</p> <p>6 question that I've asked, please ask me to clarify</p> <p>7 it. Otherwise, I'm going to assume that you do</p> <p>8 understand the question that I've asked. Is that</p> <p>9 fair?</p> <p>10 A Yes.</p> <p>11 Q Okay. Do you understand that you're</p> <p>12 testifying here today under oath?</p> <p>13 A I do.</p> <p>14 Q What did you do to prepare for today's</p> <p>15 deposition?</p> <p>16 A I met with counsel. They kind of laid out</p> <p>17 what this would be like, the setup and everything.</p> <p>18 That was about it.</p> <p>19 Q And when you say counsel, do you mean the</p> <p>20 individuals in this room?</p> <p>21 A Yes.</p> <p>22 Q How many times did you meet?</p> <p>23 A Once or twice.</p> <p>24 Q For how long?</p> <p>25 A We met last Friday for most of the day.</p>
<p>10</p> <p>1 Latham &amp; Watkins on behalf of UBS.</p> <p>2 MS. TOMKOWIAK: Sarah Tomkowiak with</p> <p>3 Latham &amp; Watkins on behalf of UBS.</p> <p>4 MR. FEINSTEIN: On the Zoom, Robert</p> <p>5 Feinstein, Pachulski Stang Ziehl &amp; Jones, counsel</p> <p>6 for defendant, Highland Capital Management, LP.</p> <p>7 THE VIDEOGRAPHER: The court reporter</p> <p>8 today is Micheal Johnson also representing</p> <p>9 PlanetDepos. If the court would please swear in</p> <p>10 the witness.</p> <p>11 MATTHEW T. DiORIO,</p> <p>12 called as a witness, having been duly sworn by a</p> <p>13 Notary Public, was examined and testified as</p> <p>14 follows:</p> <p>15 EXAMINATION</p> <p>16 BY MS. TOMKOWIAK:</p> <p>17 Q Mr. DiOrio, can you please state your full</p> <p>18 name for the record.</p> <p>19 A Matthew Thomas DiOrio.</p> <p>20 Q Where do you live?</p> <p>21 A In Dallas.</p> <p>22 Q Can you please state your address.</p> <p>23 &lt;-- HIGHLY CONFIDENTIAL</p> <p>24 --&gt;</p> <p>25 Q Have you ever been deposed before?</p>	<p>12</p> <p>1 Q Was that all?</p> <p>2 A Yes.</p> <p>3 Q And without telling me what you looked at,</p> <p>4 did you look at any documents?</p> <p>5 A No. It was mainly conversational.</p> <p>6 Q You're not a lawyer, right?</p> <p>7 A That's correct.</p> <p>8 Q Okay. Do you have any professional</p> <p>9 licenses?</p> <p>10 A No.</p> <p>11 Q Where are you currently employed?</p> <p>12 A Skyview Group.</p> <p>13 Q What does Skyview Group do?</p> <p>14 A Provides kind of back and middle office</p> <p>15 services to financial services companies, banks,</p> <p>16 that sort of thing.</p> <p>17 Q Who hired you?</p> <p>18 A Who hired me?</p> <p>19 Q Uh-huh.</p> <p>20 A Skyview Group.</p> <p>21 Q Who at Skyview Group hired you?</p> <p>22 A I'm not sure who was on my employment</p> <p>23 letter, but...</p> <p>24 Q Well, is there an individual who reached</p> <p>25 out to you to -- how did you come to work for</p>

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<p>1 Skyview?</p> <p>2 <b>A A lot of the former Highland employees</b></p> <p>3 <b>like myself were sent offer letters, I believe by</b></p> <p>4 <b>Brian Collins, who's the HR manager.</b></p> <p>5 Q Okay. And so you were sent an offer</p> <p>6 letter?</p> <p>7 <b>A That's correct.</b></p> <p>8 Q Okay. Do you recall when that was?</p> <p>9 <b>A Early March, late February. I don't know</b></p> <p>10 <b>the exact date.</b></p> <p>11 Q Okay. And what is your title at Skyview?</p> <p>12 <b>A Managing director.</b></p> <p>13 Q What are your responsibilities as managing</p> <p>14 director?</p> <p>15 <b>A I've been taking on a variety of projects</b></p> <p>16 <b>for one of our bank clients, and then I'm helping</b></p> <p>17 <b>find us office space, for example, at the moment.</b></p> <p>18 Q Do you have an office now?</p> <p>19 <b>A No.</b></p> <p>20 Q Okay. You don't -- okay. So Skyview</p> <p>21 doesn't have any physical office space right now?</p> <p>22 <b>A No.</b></p> <p>23 Q Okay. And when did you start working</p> <p>24 there?</p> <p>25 <b>A Early March. I'm not sure of the date.</b></p>	<p>15</p> <p>1 Skyview, how would I send it?</p> <p>2 <b>A I actually don't know.</b></p> <p>3 Q Okay. What if I wanted to call Skyview,</p> <p>4 is there a number I could call?</p> <p>5 <b>A You'd have to call the person directly</b></p> <p>6 <b>that you wanted to speak to.</b></p> <p>7 Q Would it go to your cell phone?</p> <p>8 <b>A Probably. If you were looking for me,</b></p> <p>9 <b>yeah.</b></p> <p>10 Q You said that you were working for a</p> <p>11 particular client. Is that client affiliated with</p> <p>12 Highland in any way?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 <b>A We have confidentiality agreements with</b></p> <p>15 <b>our clients. I'm not entirely sure if I can</b></p> <p>16 <b>answer that.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q Well, this is a -- first of all, this</p> <p>19 proceeding itself can be designated confidential.</p> <p>20 You'll have an opportunity to review the</p> <p>21 transcript. In any event, I'm not asking for the</p> <p>22 name of the client, I'm just asking you if they're</p> <p>23 affiliated in any way with Highland.</p> <p>24 <b>A I don't believe so.</b></p> <p>25 Q Okay. Do you work with any clients that</p>
<p>14</p> <p>1 Q Who do you report to?</p> <p>2 <b>A JP Sevilla, I guess.</b></p> <p>3 Q Do you know who he reports to?</p> <p>4 <b>A Scott Ellington.</b></p> <p>5 Q Mr. Sevilla is a lawyer, right?</p> <p>6 <b>A Yes.</b></p> <p>7 Q Is there a reason that you report to him,</p> <p>8 or do you know?</p> <p>9 <b>A I sat in the legal group at Highland and</b></p> <p>10 <b>that's kind of where they put me at Skyview.</b></p> <p>11 Q Who owns Skyview?</p> <p>12 <b>A I believe Scott Ellington.</b></p> <p>13 Q What's your compensation at Skyview?</p> <p>14 <b>A Base salary or bonus or --</b></p> <p>15 Q Both. Total compensation.</p> <p>16 <b>A It will be about \$400,000 this year.</b></p> <p>17 Q How does that compare to your salary at</p> <p>18 Highland?</p> <p>19 <b>A About the same. I get a base salary</b></p> <p>20 <b>raise, but everything else has been flat.</b></p> <p>21 Q And you said that you currently don't have</p> <p>22 office space. Are you currently working out of</p> <p>23 NexPoint's office space?</p> <p>24 <b>A No.</b></p> <p>25 Q No. Okay. What if I want to send mail to</p>	<p>16</p> <p>1 are affiliated with Mr. Dondero?</p> <p>2 <b>A Yes.</b></p> <p>3 Q And what about Mr. Ellington? Do you work</p> <p>4 with any clients who are affiliated with</p> <p>5 Mr. Ellington?</p> <p>6 <b>A No. I mean, he owns the company that I</b></p> <p>7 <b>work for.</b></p> <p>8 Q Right.</p> <p>9 <b>A But other than that, no.</b></p> <p>10 Q Do you know if Mr. Ellington's the sole</p> <p>11 owner of that company?</p> <p>12 MS. SMITH: Objection, form.</p> <p>13 <b>A I believe he is at the moment.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Do you believe that's going to change?</p> <p>16 <b>A It's supposed to at some point.</b></p> <p>17 Q How is it supposed to change?</p> <p>18 <b>A Employees that were hired from Highland</b></p> <p>19 <b>are supposed to at some point receive some sort of</b></p> <p>20 <b>equity grant.</b></p> <p>21 Q Do you --</p> <p>22 MS. SMITH: Objection, form. I'm going to</p> <p>23 object to the relevance of this line of</p> <p>24 questioning as it's not in accordance with the</p> <p>25 orders of the Court on the -- it's supposed to be</p>

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<p>17</p> <p>1 related to the temporary restraining order -- or</p> <p>2 the motion for temporary restraining order and</p> <p>3 motion for preliminary injunction, as I've done</p> <p>4 the last two days. And it's not within the scope</p> <p>5 of the judge's ruling when she said we can talk</p> <p>6 about Sentinel and what it's all related to.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q Is the legal name of Skyview, Highgate; do</p> <p>9 you know?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 A <b>It's not Highgate.</b></p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q It's not?</p> <p>14 A <b>No.</b></p> <p>15 Q Do you know what the legal name is?</p> <p>16 A <b>It's Highgate Consulting Group, Inc., dba</b></p> <p>17 <b>Skyview Group.</b></p> <p>18 Q Does Skyview have any subsidiaries?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 A <b>I don't know the answer to that.</b></p> <p>21 BY MS. TOMKOWIAK:</p> <p>22 Q What about an entity called CPCM? Do you</p> <p>23 know what that is?</p> <p>24 A <b>I've heard the name.</b></p> <p>25 Q Do you know what it is?</p>	<p>19</p> <p>1 A <b>No.</b></p> <p>2 Q Do you currently sit on the board of any</p> <p>3 companies?</p> <p>4 A <b>Yes.</b></p> <p>5 Q What companies?</p> <p>6 A <b>GLA Resorts Holdings, LLC. It's a</b></p> <p>7 <b>Delaware company.</b></p> <p>8 Q Any others?</p> <p>9 A <b>No.</b></p> <p>10 Q What does GAL [sic] Resorts Holdings do?</p> <p>11 A <b>It's GLA.</b></p> <p>12 Q I'm sorry, what?</p> <p>13 A <b>GLA.</b></p> <p>14 Q GLA. Thank you. What does that do?</p> <p>15 A <b>It owns a piece of property in the west</b></p> <p>16 <b>end of Grand Bahamas that it's in the process of</b></p> <p>17 <b>trying to sell.</b></p> <p>18 Q Does it have any operations?</p> <p>19 A <b>Just trying to sell the property.</b></p> <p>20 Q Does anybody else sit on the board of that</p> <p>21 company?</p> <p>22 A <b>Yes.</b></p> <p>23 Q Who?</p> <p>24 A <b>Scott Ellington.</b></p> <p>25 Q Anybody else?</p>
<p>18</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 A <b>Something to do with employment claims.</b></p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Okay. And, in fact, you assigned your</p> <p>5 claim in the bankruptcy matter to CPCM, right?</p> <p>6 A <b>I think that's right.</b></p> <p>7 MS. SMITH: Objection, form.</p> <p>8 BY MS. TOMKOWIAK:</p> <p>9 Q Do you know what consideration you</p> <p>10 received for that claim?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 A <b>Employment at Skyview.</b></p> <p>13 BY MS. TOMKOWIAK:</p> <p>14 Q Okay. So assigning your claim to CPCM was</p> <p>15 a condition of your employment at Skyview?</p> <p>16 A <b>That's my understanding.</b></p> <p>17 Q Do you know what the amount of that claim</p> <p>18 was with respect to you?</p> <p>19 A <b>I don't.</b></p> <p>20 MS. SMITH: Objection, form.</p> <p>21 A <b>I don't.</b></p> <p>22 BY MS. TOMKOWIAK:</p> <p>23 Q Do you have any other current employers?</p> <p>24 A <b>No.</b></p> <p>25 Q Do you have any other sources of income?</p>	<p>20</p> <p>1 A <b>A gentleman by the name of Mark Rechan.</b></p> <p>2 Q Can you spell that?</p> <p>3 A <b>M-a-r-k R-e-c-h-a-n.</b></p> <p>4 Q Anybody else?</p> <p>5 A <b>That's it.</b></p> <p>6 Q How long have you served as a director</p> <p>7 for -- can I call it GLA?</p> <p>8 A <b>Yes.</b></p> <p>9 MS. SMITH: Objection, form.</p> <p>10 A <b>I was appointed in November of 2019.</b></p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q How did you come to sit on the board of</p> <p>13 that entity?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 A <b>Highland appointed me.</b></p> <p>16 BY MS. TOMKOWIAK:</p> <p>17 Q Is it owned by Highland?</p> <p>18 A <b>Partially.</b></p> <p>19 Q Who else owns GLA?</p> <p>20 MS. SMITH: Objection as to form.</p> <p>21 A <b>It's owned by -- I think there are about</b></p> <p>22 <b>50 partners all-in in the ownership structure.</b></p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q Do you know who specifically from Highland</p> <p>25 appointed you?</p>

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<p>21</p> <p>1 MS. SMITH: Objection as to form.</p> <p>2 <b>A I don't know who specifically appointed</b></p> <p>3 <b>me.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Have you ever served as a managing member</p> <p>6 of an LLC?</p> <p>7 <b>A I'm not sure.</b></p> <p>8 Q Why aren't you sure?</p> <p>9 <b>A I'm just -- I'm not sure.</b></p> <p>10 Q Like, do you have a management position at</p> <p>11 an LLC and you're just not sure if it's a managing</p> <p>12 member, or why aren't you sure?</p> <p>13 <b>A Yeah, I'm not sure if anything I've ever</b></p> <p>14 <b>done would be considered managing member</b></p> <p>15 <b>specifically.</b></p> <p>16 Q So that's not a term that you've used to</p> <p>17 describe your own role?</p> <p>18 <b>A No, not that I recall.</b></p> <p>19 Q How long have you known Scott Ellington?</p> <p>20 <b>A Ten, 11 years.</b></p> <p>21 Q How did you meet?</p> <p>22 <b>A Through a friend.</b></p> <p>23 Q What friend?</p> <p>24 <b>A What's his name?</b></p> <p>25 Q Yeah.</p>	<p>23</p> <p>1 Q Okay. So prior to receiving that</p> <p>2 complaint, you had no idea that Mr. Ellington</p> <p>3 owned part of Sentinel Reinsurance?</p> <p>4 <b>A I assumed, but I never knew one way or the</b></p> <p>5 <b>other.</b></p> <p>6 Q Why did you assume?</p> <p>7 <b>A Why did I assume that he owned it?</b></p> <p>8 Q Yeah.</p> <p>9 <b>A That's just what I had heard, but I never</b></p> <p>10 <b>saw any specific documentation that said he owns</b></p> <p>11 <b>XYZ or whatever. That's what I meant.</b></p> <p>12 Q And when you say that's just what I heard,</p> <p>13 who did you hear that from?</p> <p>14 <b>A I don't specifically remember.</b></p> <p>15 Q Do you recall when you heard that?</p> <p>16 <b>A I don't.</b></p> <p>17 Q Was it -- well, let me ask you. How -- in</p> <p>18 what capacity did you do work for Sentinel</p> <p>19 Reinsurance?</p> <p>20 <b>A I was a director.</b></p> <p>21 Q Okay. So did you hear that Mr. Ellington</p> <p>22 was an owner in Sentinel Reinsurance before or</p> <p>23 after you became a director?</p> <p>24 <b>A Not entirely sure. Maybe around the same</b></p> <p>25 <b>time.</b></p>
<p>22</p> <p>1 <b>A Matt Okolita.</b></p> <p>2 Q And other than Skyview, have you ever done</p> <p>3 work for any other companies owned by</p> <p>4 Mr. Ellington?</p> <p>5 MS. SMITH: Objection, form.</p> <p>6 <b>A Owned how? What do you mean by owned?</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q Owned in any way, directly, indirectly,</p> <p>9 partly, wholly owned in any way.</p> <p>10 <b>A I believe I have.</b></p> <p>11 Q Okay. And what are those companies or</p> <p>12 entities?</p> <p>13 <b>A Sentinel Reinsurance.</b></p> <p>14 Q Okay. Anything else?</p> <p>15 <b>A SAS Asset Recovery.</b></p> <p>16 Q Anything else? Just give a verbal answer</p> <p>17 just so we have a clear record.</p> <p>18 <b>A Oh, no, not that I'm aware of.</b></p> <p>19 Q Okay. And what's your understanding of</p> <p>20 how Mr. Ellington owns Sentinel Reinsurance?</p> <p>21 <b>A I just know generally. I heard in court</b></p> <p>22 <b>it's a split between he and Mr. Dondero.</b></p> <p>23 Q Okay. And you heard that from whom?</p> <p>24 <b>A It was said in, I believe the complaint</b></p> <p>25 <b>that we were allowed to review.</b></p>	<p>24</p> <p>1 Q And did you understand at that same time</p> <p>2 that Mr. Dondero was also an owner of Sentinel?</p> <p>3 <b>A I had an idea.</b></p> <p>4 Q How did you have an idea?</p> <p>5 <b>A Well, I was appointed by -- Mr. Ellington</b></p> <p>6 <b>told me I was going on the board and then I just</b></p> <p>7 <b>knew that he had some sort of arrangement with</b></p> <p>8 <b>Jim.</b></p> <p>9 Q Some sort of arrangement with Jim, meaning</p> <p>10 some type of ownership arrangement with Jim?</p> <p>11 <b>A That was my understanding.</b></p> <p>12 Q Okay. Did Mr. Ellington tell you that?</p> <p>13 <b>A I don't recall.</b></p> <p>14 Q Okay. So you came to an understanding</p> <p>15 that Mr. Ellington and Mr. Dondero had some type</p> <p>16 of ownership arrangement with respect to Sentinel</p> <p>17 around the time that you became a director; is</p> <p>18 that fair?</p> <p>19 <b>A Sounds right.</b></p> <p>20 Q Do you recall when you became a director</p> <p>21 of Sentinel?</p> <p>22 <b>A I think it was September of 2017. I don't</b></p> <p>23 <b>recall the exact date.</b></p> <p>24 Q Okay. And we'll come back to that, but</p> <p>25 you said Mr. Ellington appointed you; is that</p>

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<p>1 right?</p> <p>2 <b>A Well, he told me I was going on the board.</b></p> <p>3 Q He told you you were going on the board.</p> <p>4 <b>A Asked if I wanted to serve, I guess would</b></p> <p>5 <b>be a better phrasing.</b></p> <p>6 Q Okay. And you agreed to?</p> <p>7 <b>A That's right.</b></p> <p>8 Q Okay. Was that a condition of your</p> <p>9 employment at Highland?</p> <p>10 <b>A I don't believe so.</b></p> <p>11 Q Do you do any work for Mr. Ellington in</p> <p>12 his personal capacity?</p> <p>13 <b>A At times.</b></p> <p>14 Q What type of work?</p> <p>15 <b>A He has a -- I pay rent on his warehouse</b></p> <p>16 <b>space that he has.</b></p> <p>17 Q Anything else?</p> <p>18 <b>A No.</b></p> <p>19 Q Do you manage any of his finances?</p> <p>20 <b>A No.</b></p> <p>21 Q Why do you pay rent on his warehouse?</p> <p>22 <b>A He asked me to take care of it.</b></p> <p>23 Q Do you do that -- are you compensated for</p> <p>24 that?</p> <p>25 <b>A No.</b></p>	<p>1 MS. SMITH: Objection, form.</p> <p>2 <b>A -- Sarah Goldsmith.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Who is Sarah Goldsmith?</p> <p>5 <b>A She was the legal group admin at Highland</b></p> <p>6 <b>Capital.</b></p> <p>7 Q What is TT3 Partners?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 <b>A It's a company I joined with a friend to</b></p> <p>10 <b>make an investment in a venture capital fund.</b></p> <p>11 <b>BY MS. TOMKOWIAK:</b></p> <p>12 Q What friend?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 <b>A Matt Okolita.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q That's the person you said introduced you</p> <p>17 to Mr. Ellington?</p> <p>18 <b>A Yes.</b></p> <p>19 Q How do you know Mr. Okolita?</p> <p>20 <b>A I went to high school with him.</b></p> <p>21 Q And what venture capital fund are you</p> <p>22 investing in?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 <b>A I'd have to look for the exact name. I</b></p> <p>25 <b>think it's Preface something, Preface Ventures or</b></p>
<p>1 Q Do you perform any type of investment</p> <p>2 services for Mr. Ellington?</p> <p>3 <b>A No.</b></p> <p>4 Q Are you familiar with an entity called</p> <p>5 TT3 Partners?</p> <p>6 <b>A Yes.</b></p> <p>7 Q Okay. And that's an LLC, right?</p> <p>8 <b>A That's correct.</b></p> <p>9 Q Okay. And I know you said earlier you</p> <p>10 would not use this term, but -- so you're not a</p> <p>11 managing member of TT3 Partners, LLC?</p> <p>12 <b>A I don't know, honestly.</b></p> <p>13 Q You don't know. Did you form that</p> <p>14 company?</p> <p>15 <b>A I believe so.</b></p> <p>16 Q Okay. So you formed the company but</p> <p>17 you're not sure what your title is?</p> <p>18 <b>A That's right.</b></p> <p>19 Q Did you prepare the formation</p> <p>20 documentation?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 <b>A I don't honestly know if I did or not.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q So who would have done that?</p> <p>25 <b>A Possibly --</b></p>	<p>1 <b>something like that.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q And why would Ms. Goldsmith have prepared</p> <p>4 those paperwork?</p> <p>5 MS. SMITH: Objection, form.</p> <p>6 <b>A Because she knew how to do it.</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q Okay. So was that done in her capacity as</p> <p>9 a Highland employee?</p> <p>10 <b>A I don't know.</b></p> <p>11 Q Well, did you ask her to prepare that</p> <p>12 paperwork?</p> <p>13 <b>A If she did it, I would have asked her,</b></p> <p>14 <b>yes.</b></p> <p>15 Q Okay. And if you would have asked her,</p> <p>16 would you be asking her as a personal favor or in</p> <p>17 her capacity as some employee of some entity?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 <b>A I wouldn't have thought about that either</b></p> <p>20 <b>way.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q Okay. Did you pay her to do that?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 <b>A I don't believe so. Or if I -- sorry. If</b></p> <p>25 <b>I -- if she did it, I don't -- I wouldn't have</b></p>



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<p>29</p> <p>1 paid her, no.</p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Okay. So -- just to be clear, so you --</p> <p>4 do you recall that you filed papers with the</p> <p>5 Secretary of State of Texas to form TT3 Partners?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 <b>A I'm sure that happened, yeah.</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q Okay. But you don't know who prepared</p> <p>10 those papers?</p> <p>11 <b>A Right. I don't recall.</b></p> <p>12 Q Okay. That was in October of 2020; is</p> <p>13 that right?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 <b>A Sounds right.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Did Mr. Okolita previously work at</p> <p>18 Highland?</p> <p>19 <b>A He did.</b></p> <p>20 Q Do you know when?</p> <p>21 <b>A It was -- I don't know the exact dates. I</b></p> <p>22 <b>think he left around 2010 or '11.</b></p> <p>23 Q Do you know why he left?</p> <p>24 <b>A I believe to take another job.</b></p> <p>25 Q Do you know where he works today?</p>	<p>31</p> <p>1 Highland or HCM, you'll understand that I mean</p> <p>2 Highland Capital Management?</p> <p>3 <b>A I think so.</b></p> <p>4 Q Okay. And when did -- were you employed</p> <p>5 by Highland?</p> <p>6 <b>A Again, I don't remember the exact date,</b></p> <p>7 <b>but March of 2017.</b></p> <p>8 Q And how did you come to start working at</p> <p>9 Highland?</p> <p>10 <b>A I'm not sure I understand. What do you</b></p> <p>11 <b>mean?</b></p> <p>12 Q How did you come to work at Highland? Did</p> <p>13 you fill out an application? Did somebody call</p> <p>14 you? How did you come to start working there?</p> <p>15 <b>A I was hired by Mr. Ellington.</b></p> <p>16 Q Did you apply?</p> <p>17 <b>A I'm sure I filled out an application.</b></p> <p>18 Q Did he invite you to fill out an</p> <p>19 application?</p> <p>20 <b>A I believe I would have had to as a</b></p> <p>21 <b>condition of being employed.</b></p> <p>22 Q Okay. But did you approach him or did he</p> <p>23 approach you?</p> <p>24 MS. SMITH: Objection, form.</p> <p>25 <b>A I'm not entirely sure. I don't really</b></p>
<p>30</p> <p>1 <b>A Yes.</b></p> <p>2 Q Where?</p> <p>3 <b>A Greyline Partners or Greyline Solutions or</b></p> <p>4 <b>Greyline something.</b></p> <p>5 Q What is Greyline?</p> <p>6 <b>A It's a -- I think it's a consulting</b></p> <p>7 <b>company in the financial services industry.</b></p> <p>8 Q Is it Greyline or Greystone, if you know?</p> <p>9 <b>A It would be Greyline.</b></p> <p>10 Q Greyline. Okay. Is Greyline affiliated</p> <p>11 at all with Highland?</p> <p>12 <b>A Not to my knowledge.</b></p> <p>13 Q Is Greyline affiliated with Mr. Ellington?</p> <p>14 <b>A Not to my knowledge.</b></p> <p>15 Q Is Greyline affiliated with Mr. Dondero?</p> <p>16 <b>A Not to my knowledge.</b></p> <p>17 Q Do you provide any services to Greyline?</p> <p>18 <b>A No.</b></p> <p>19 MS. SMITH: Objection, form.</p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q So before you worked at -- you came to</p> <p>22 work at Skyview, you were employed by Highland</p> <p>23 Capital Management, right?</p> <p>24 <b>A That's correct.</b></p> <p>25 Q Okay. And if I refer to them today as</p>	<p>32</p> <p>1 remember.</p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q So at some point it just came up with</p> <p>4 Mr. Ellington that you should apply to work at</p> <p>5 Highland?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 <b>A At some point.</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q At some point do you recall in proximity</p> <p>10 to when you actually started working there in</p> <p>11 March 2017?</p> <p>12 <b>A My best guess would be I was in grad</b></p> <p>13 <b>school at the time and a group of my fellow</b></p> <p>14 <b>students were -- there's these things called MBA+</b></p> <p>15 <b>projects in my program, where you go seek someone</b></p> <p>16 <b>out in a different industry and get experience</b></p> <p>17 <b>doing a different project, and our MBA+ project</b></p> <p>18 <b>was with Highland via Mr. Ellington. So I assume</b></p> <p>19 <b>our work there had something to do with it.</b></p> <p>20 Q Did you know Mr. Ellington before that</p> <p>21 MBA+ project?</p> <p>22 <b>A Yes.</b></p> <p>23 Q Was it your idea to do your project with</p> <p>24 Highland?</p> <p>25 <b>A If it -- probably. Yeah, no one else knew</b></p>

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<p>33</p> <p>1 anyone at Highland, so it was probably my idea.</p> <p>2 Q Where did you go to grad school?</p> <p>3 A UT, University of Texas.</p> <p>4 Q So was Highland your first job after grad</p> <p>5 school?</p> <p>6 A I graduated in May, but I started in</p> <p>7 March, so I was just wrapping up.</p> <p>8 Q And where -- were you working while you</p> <p>9 were in grad school?</p> <p>10 A A company called Constellation Brands.</p> <p>11 Q What does Constellation Brands do?</p> <p>12 MS. SMITH: Objection, form.</p> <p>13 A What's its business, its industry?</p> <p>14 BY MS. TOMKOWIAK:</p> <p>15 Q Uh-huh.</p> <p>16 A It's in the alcohol industry.</p> <p>17 Q Okay. And what was your role there?</p> <p>18 A I worked in the beer division as a -- I</p> <p>19 guess -- I think my title was analysis manager.</p> <p>20 Q What does an analysis manager do?</p> <p>21 A Made a lot of --</p> <p>22 Q What did you do as an analysis manager?</p> <p>23 A Made a lot of spreadsheets and financial</p> <p>24 modeling.</p> <p>25 Q Financial modeling for what?</p>	<p>35</p> <p>1 Q What was your title when you first started</p> <p>2 working at HCM?</p> <p>3 A Director, I believe.</p> <p>4 Q Were you in a particular department?</p> <p>5 A It was just -- it was my title in -- it</p> <p>6 was just director.</p> <p>7 Q Okay. Did you sit in the legal</p> <p>8 department? I think you said that.</p> <p>9 A Yes, I did.</p> <p>10 Q Do you know why you sat in the legal</p> <p>11 department, given that you didn't have a law</p> <p>12 degree?</p> <p>13 A No.</p> <p>14 Q Do you know who assigned you to sit in the</p> <p>15 legal department?</p> <p>16 A I assume Mr. Ellington.</p> <p>17 Q Going back to Mr. Ellington for a second.</p> <p>18 You mentioned that he was also an owner in some</p> <p>19 manner of SAS Asset Recovery. Do you know how he</p> <p>20 owned that company?</p> <p>21 A I don't.</p> <p>22 Q Okay. When you started working at HCM,</p> <p>23 who did you report to?</p> <p>24 A Mr. Ellington.</p> <p>25 Q Anybody else?</p>
<p>34</p> <p>1 A Different scenarios that would come up in</p> <p>2 the, I guess, beer sales process, any promotions,</p> <p>3 potential sales, that sort of thing.</p> <p>4 Q Okay. What's your graduate degree in? Is</p> <p>5 it an MBA?</p> <p>6 A It's an MBA, yes.</p> <p>7 Q Do you have any specific focus?</p> <p>8 A No, no concentration.</p> <p>9 Q Where did you work before Constellation</p> <p>10 Brands?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 A Sorry. It's been a while. I think my</p> <p>13 last job was at Dean Foods.</p> <p>14 BY MS. TOMKOWIAK:</p> <p>15 Q Okay. I'm sorry, like approximately what</p> <p>16 period of time did you work for Constellation</p> <p>17 Brands?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 A It was, I think, the three years prior.</p> <p>20 So '14 to '17, three years.</p> <p>21 BY MS. TOMKOWIAK:</p> <p>22 Q Okay. And then you said you worked at</p> <p>23 Dean Foods before that, for approximately how</p> <p>24 long?</p> <p>25 A I think a couple years.</p>	<p>36</p> <p>1 A Not when I first started, no.</p> <p>2 Q And as a director sitting in the legal</p> <p>3 department, what were your responsibilities?</p> <p>4 A I worked on -- responsibilities with</p> <p>5 respect to what?</p> <p>6 Q With respect to, let's start with</p> <p>7 Highland.</p> <p>8 A I worked on some distressed investments</p> <p>9 where they would need, you know, financial</p> <p>10 modeling-type stuff.</p> <p>11 Q Anything else?</p> <p>12 A Not at the -- not when I started, no.</p> <p>13 Q Were there other nonlawyers who sat in the</p> <p>14 legal department?</p> <p>15 A Yes.</p> <p>16 Q Who was that?</p> <p>17 A Helen Kim, who was a paralegal, and Katie</p> <p>18 Irving.</p> <p>19 Q Was Ms. Irving a CPA?</p> <p>20 A I believe she's a CPA, yes.</p> <p>21 Q And were you given any reason why you were</p> <p>22 sitting in the legal department?</p> <p>23 A No.</p> <p>24 Q Did you -- where was your office or desk?</p> <p>25 A In the legal department. I sat at a</p>

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<p>37</p> <p>1 <b>table. It's an open floor plan.</b></p> <p>2 Q So I've heard. Did anybody report to you?</p> <p>3 <b>A No.</b></p> <p>4 Q Okay. And did you stay in the legal</p> <p>5 department your entire time at HCM?</p> <p>6 <b>A Sort of.</b></p> <p>7 Q What do you mean by that?</p> <p>8 <b>A Eventually private equity -- the private</b></p> <p>9 <b>equity group moved into the legal department which</b></p> <p>10 <b>I worked for, so technically it still fell under</b></p> <p>11 <b>the legal umbrella, I guess. But my function</b></p> <p>12 <b>changed to mainly private equity starting in 2019.</b></p> <p>13 Q Were you still a director?</p> <p>14 <b>A In 2019, yes.</b></p> <p>15 Q Did that title change at any point in</p> <p>16 time?</p> <p>17 <b>A Yes. Yes. Excuse me.</b></p> <p>18 Q No worries. When did it change?</p> <p>19 <b>A Early 2020.</b></p> <p>20 Q What did it change to?</p> <p>21 <b>A Managing director.</b></p> <p>22 Q So that was a promotion?</p> <p>23 <b>A In name, I guess.</b></p> <p>24 Q And anything else?</p> <p>25 <b>A No.</b></p>	<p>39</p> <p>1 Q And were you managing director until you</p> <p>2 were terminated from Highland?</p> <p>3 <b>A Yes.</b></p> <p>4 Q When did you leave Highland?</p> <p>5 <b>A I don't remember the exact date, but a day</b></p> <p>6 <b>before everyone else.</b></p> <p>7 Q So in early February 2020?</p> <p>8 <b>A Mid, late February maybe, but</b></p> <p>9 <b>February 2020 -- 2021, excuse me.</b></p> <p>10 Q Okay. And you were terminated; is that</p> <p>11 right?</p> <p>12 <b>A That's correct.</b></p> <p>13 Q Who terminated you?</p> <p>14 <b>A Jim Seery.</b></p> <p>15 Q Did Mr. Seery tell you why you were being</p> <p>16 terminated?</p> <p>17 <b>A He said performance issues.</b></p> <p>18 Q Did he say anything besides performance</p> <p>19 issues?</p> <p>20 <b>A No.</b></p> <p>21 Q Did you ask him what he meant by</p> <p>22 performance issues?</p> <p>23 <b>A I didn't.</b></p> <p>24 Q You didn't want to know what performance</p> <p>25 issues were -- had led to your termination?</p>
<p>38</p> <p>1 Q Same compensation?</p> <p>2 <b>A That's correct.</b></p> <p>3 Q You may have said this, but did you report</p> <p>4 to Mr. Ellington the entire time that you were</p> <p>5 employed at Highland?</p> <p>6 <b>A Until private equity matters rolled up to</b></p> <p>7 <b>JP Sevilla and Tim Cournoyer. They were made</b></p> <p>8 <b>co-heads of private equity.</b></p> <p>9 Q So would you say that in 2019 you reported</p> <p>10 to Tim and JP?</p> <p>11 <b>A On private equity matters.</b></p> <p>12 Q And then did you continue to also report</p> <p>13 to Mr. Ellington on other matters?</p> <p>14 <b>A On distressed matters.</b></p> <p>15 Q Were you ever told that the work that you</p> <p>16 were doing was considered to be attorney-client</p> <p>17 privileged in any way?</p> <p>18 <b>A What specific work?</b></p> <p>19 Q Any of the work that you were doing,</p> <p>20 either for the distressed investments or the</p> <p>21 private equity stuff.</p> <p>22 <b>A Not that I recall.</b></p> <p>23 Q When you came to work for the private</p> <p>24 equity side, did anybody report to you?</p> <p>25 <b>A No.</b></p>	<p>40</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 <b>A I was curious, but I wasn't going to say</b></p> <p>3 <b>anything.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Why not?</p> <p>6 <b>A Didn't seem to be a productive next step</b></p> <p>7 <b>in the conversation.</b></p> <p>8 Q You said a day before everybody else. Who</p> <p>9 were you referring to by everybody else?</p> <p>10 <b>A There was -- as part of the -- as I</b></p> <p>11 <b>understand it anyway, as part of the bankruptcy,</b></p> <p>12 <b>several -- or many of the Highland employees were</b></p> <p>13 <b>terminated on the last -- I think the last day of</b></p> <p>14 <b>February or the last weekday in February. And I</b></p> <p>15 <b>say a day before because Mr. Seery mentioned when</b></p> <p>16 <b>he was terminating me that I know it's a day</b></p> <p>17 <b>before everyone else.</b></p> <p>18 Q So I just want to make sure I understood</p> <p>19 the pronouns. He mentioned that when he was</p> <p>20 terminating you that he knew it was a day before</p> <p>21 everybody else?</p> <p>22 <b>A Uh-huh.</b></p> <p>23 Q Okay. Sorry, what do you -- so he let you</p> <p>24 know that he was terminating you a day before he</p> <p>25 was terminating other people?</p>

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<p>41</p> <p>1 <b>A I think it was public at that point or</b>  2 <b>known by the employees that their last day was</b>  3 <b>whatever the day was.</b>  4 Q Had you been told prior to that  5 conversation with Mr. Seery that you would be  6 included in the groups of -- the group of  7 employees that were being terminated?  8 MS. SMITH: Objection to form.  9 <b>A I assumed I was.</b>  10 <b>BY MS. TOMKOWIAK:</b>  11 Q Why?  12 <b>A No one asked me to stay, at the debtor.</b>  13 Q So you thought that unless you were asked  14 to stay, you would be terminated?  15 <b>A That was my assumption.</b>  16 Q So you weren't surprised when you were  17 terminated?  18 MS. SMITH: Objection, form.  19 <b>A I was very surprised when I was</b>  20 <b>terminated.</b>  21 <b>BY MS. TOMKOWIAK:</b>  22 Q Okay. Why?  23 <b>A Because it was for some sort of cause, and</b>  24 <b>I was just expecting to be let go as part of the</b>  25 <b>bankruptcy, like everyone else.</b></p>	<p>43</p> <p>1 desk?  2 <b>A Yeah.</b>  3 Q You did?  4 <b>A I did.</b>  5 Q All right. And what -- did you take  6 anything with you?  7 <b>A Just papers and whatever I had there,</b>  8 <b>under the supervision of a DSI employee.</b>  9 Q Did you leave any files there?  10 <b>A There was -- I didn't take everything on</b>  11 <b>my desk, so I assume, yeah.</b>  12 Q What did you take?  13 <b>A Personal stuff, that I thought was</b>  14 <b>personal. Again, it was kind of a high-pressure</b>  15 <b>stressful situation. I was just grabbing stuff</b>  16 <b>and leaving, while the guy was standing there.</b>  17 Q Did Mr. Seery tell you you needed to leave  18 immediately?  19 <b>A Yes. Or if he didn't, one of the DSI guys</b>  20 <b>who was in the room did.</b>  21 Q And just so I understand, so you -- you  22 said there was an open floor plan. So when you  23 say the room, were you --  24 <b>A I was called into the Bois d'Arc</b>  25 <b>conference room.</b></p>
<p>42</p> <p>1 Q So it was your understanding that  2 everybody else who was fired in February 2021 was  3 let go because of the bankruptcy?  4 <b>A Yes.</b>  5 Q Okay. And you believe that you were let  6 go for cause and that was unique to you?  7 <b>A Yes.</b>  8 Q Did you come to that understanding on your  9 own?  10 <b>A I was the only one in the room when I was</b>  11 <b>fired. No one else was a part of that, so that</b>  12 <b>was my assumption.</b>  13 Q You and Mr. Seery?  14 <b>A He was on the phone.</b>  15 Q Oh, he was on the phone. So you were at  16 Highland's office?  17 <b>A I was at the Highland office, that's</b>  18 <b>correct.</b>  19 Q And he was on the phone?  20 <b>A That's correct.</b>  21 Q Okay. Were you expecting his call?  22 <b>A No.</b>  23 Q Was that your last day in the office?  24 <b>A I was walked out shortly thereafter.</b>  25 Q Did you have a chance to clean out your</p>	<p>44</p> <p>1 Q Okay. Who called you into there?  2 <b>A James Romey from DSI.</b>  3 Q So Mr. -- were you finished?  4 <b>A He had another guy with him, but I don't</b>  5 <b>know his name.</b>  6 Q So they called you into the Bois d'Arc  7 conference room and said -- and said what?  8 <b>A They came to my desk and said, not</b>  9 <b>verbatim obviously, but Mr. Seery or Jim wants to</b>  10 <b>speak to you, he's on the phone in the conference</b>  11 <b>room.</b>  12 Q Okay. So then you went into the  13 conference room and that's where you had your  14 conversation with Mr. Seery?  15 <b>A That's correct.</b>  16 Q Do you recall approximately how long that  17 lasted?  18 <b>A Couple minutes.</b>  19 Q And again, other than performance issues,  20 you don't recall Mr. Seery saying -- giving you  21 any other reason for why you were being let go?  22 <b>A Not specific reasons, no. He read some --</b>  23 <b>I assume it's a standard letting-you-go letter and</b>  24 <b>then I said, may I ask why, and he said,</b>  25 <b>performance issues and I said nothing further.</b></p>

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<p>45</p> <p>1 Q And after you hung up the phone, did 2 somebody from DSI come back into the room? 3 <b>A They were in the room the entire time.</b> 4 Q Okay. So you were in the room with two 5 individuals from DSI? 6 <b>A That's correct.</b> 7 Q And they -- what did they say to you after 8 that? 9 <b>A Not much. Just that I had to get my stuff</b> 10 <b>and get out of there.</b> 11 Q Did you have a computer that was given to 12 you by Highland? 13 <b>A I did.</b> 14 Q And what did you do with that? 15 <b>A I left it on my desk.</b> 16 Q Did you have a phone that was given to you 17 by Highland? 18 <b>A No.</b> 19 Q Did you have any other technology devices 20 that were provided to you by Highland? 21 <b>A At that time?</b> 22 Q At the time that you were terminated, 23 yeah. 24 <b>A No, just the laptop.</b> 25 Q Okay. And are you -- did you qualify your</p>	<p>47</p> <p>1 <b>A Just -- in my e-mail to them, I said that</b> 2 <b>we were in the process of selling the underlying</b> 3 <b>property that I mentioned earlier and that it</b> 4 <b>wouldn't make sense to put someone else in at this</b> 5 <b>point due to all the work we had done just to</b> 6 <b>get -- and when I say put someone else, replace me</b> 7 <b>on the board. And they said that I would be</b> 8 <b>allowed to continue and just to keep them updated,</b> 9 <b>after I was terminated.</b> 10 Q Have you kept them updated? 11 <b>A Yes.</b> 12 Q I think you said this earlier, but you 13 still haven't sold that property, right? By you, 14 I mean GLA. 15 <b>A It's under a purchase and sale agreement.</b> 16 <b>It has not closed yes.</b> 17 Q You also stayed on the board of Sentinel 18 after you were terminated, right? 19 <b>A Correct.</b> 20 Q Did you discuss that with anybody? 21 MS. SMITH: Objection, form. 22 <b>A No, not that I recall.</b> 23 <b>BY MS. TOMKOWIAK:</b> 24 Q So you reached out to Mr. Seery to ask if 25 you could stay on the board of GLA, but you did</p>
<p>46</p> <p>1 answer because you had other devices previously 2 during your employment at Highland? 3 <b>A I had a tablet at one point before I got</b> 4 <b>the laptop, but never -- never multiple devices at</b> 5 <b>the same time. That is why I asked.</b> 6 Q Understood. Have you done any work for 7 Highland -- any entity affiliated with Highland 8 since your separation? 9 MS. SMITH: Objection, form. 10 <b>A I was allowed to stay on the board of the</b> 11 <b>GLA Resorts Holdings that I mentioned, which I</b> 12 <b>still sit on.</b> 13 <b>BY MS. TOMKOWIAK:</b> 14 Q And when you say that you were allowed, 15 was that -- did you have like a specific 16 conversation with somebody about that? 17 <b>A I did, via e-mail.</b> 18 Q With who? 19 <b>A I e-mailed Jim Seery and Thomas Surgent</b> 20 <b>asking to stay on the board.</b> 21 Q What did they say? 22 <b>A They allowed me to stay on the board.</b> 23 Q Did they say why? 24 <b>A Not specifically.</b> 25 Q Did they say why generally?</p>	<p>48</p> <p>1 not have a similar outreach with respect to 2 Sentinel? 3 <b>A That's correct.</b> 4 Q Or outreach to anybody else of that 5 nature? 6 <b>A Not that I recall.</b> 7 Q Does Skyview have any contract with 8 Highland to provide shared services? 9 <b>A I believe so.</b> 10 Q Do you know generally what the nature of 11 those services are? 12 <b>A I believe it's IT related and I think</b> 13 <b>there's a tax and accounting function, possibly</b> 14 <b>HR. Other than that, not sure. I don't know the</b> 15 <b>specifics of the actual contract.</b> 16 Q When you were at Highland, were you -- did 17 all of your compensation come from Highland 18 itself? 19 <b>A That's my understanding.</b> 20 Q So you didn't receive a paycheck or wire 21 transfer from any entity other than Highland? 22 <b>A Correct.</b> 23 Q What about as a director of Sentinel? Did 24 you receive any compensation for that? 25 <b>A No.</b></p>

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<p>49</p> <p>1 Q And what about for the work that you did</p> <p>2 at SAS Asset Recovery? Did you receive any</p> <p>3 compensation for that?</p> <p>4 <b>A No.</b></p> <p>5 Q Since leaving Highland, have you had any</p> <p>6 communications with Mr. Dondero?</p> <p>7 <b>A Yes.</b></p> <p>8 Q What communications have you had with him?</p> <p>9 <b>A I met him for the first time in March --</b></p> <p>10 <b>or spoke to him for the first time in March of</b></p> <p>11 <b>this year.</b></p> <p>12 Q What do you mean by for the first time?</p> <p>13 <b>A I had never spoken to him prior in my time</b></p> <p>14 <b>at Highland.</b></p> <p>15 Q So you worked at Highland for almost</p> <p>16 four years and never spoke to Mr. Dondero during</p> <p>17 that time?</p> <p>18 <b>A That's correct.</b></p> <p>19 Q And are you making some distinction there</p> <p>20 in terms of like speaking to him face-to-face?</p> <p>21 <b>A I make no distinctions. I've never -- I</b></p> <p>22 <b>never spoke to him.</b></p> <p>23 Q Never spoke to him by e-mail? Never had a</p> <p>24 phone conversation with him?</p> <p>25 <b>A Never.</b></p>	<p>51</p> <p>1 were you working on it collaboratively with</p> <p>2 Mr. Dondero?</p> <p>3 MS. SMITH: Objection, form.</p> <p>4 <b>A No, I put a pitch deck -- or our group put</b></p> <p>5 <b>a pitch deck together for, again, services. I'm</b></p> <p>6 <b>not sure if I can name -- I'm trying not -- I'm</b></p> <p>7 <b>not trying to be evasive. I'm not sure I can name</b></p> <p>8 <b>the actual businesses.</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Well, without naming the businesses, I'm</p> <p>11 just trying to understand who's pitching to who.</p> <p>12 So are you saying that your group -- sorry, that</p> <p>13 was a fast thing.</p> <p>14 Are you saying that your group at Skyview</p> <p>15 put together a pitch deck to provide services to</p> <p>16 entities that are affiliated with Mr. Dondero?</p> <p>17 MS. SMITH: Objection, form.</p> <p>18 <b>A That's correct. He's a client of Skyview.</b></p> <p>19 <b>Or his businesses are.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q And so you met with him to review the</p> <p>22 pitch deck but not to give the actual pitch?</p> <p>23 <b>A That's right.</b></p> <p>24 Q Was anybody else at that meeting?</p> <p>25 <b>A No.</b></p>
<p>50</p> <p>1 Q Does that strike you as weird?</p> <p>2 <b>A Not particularly.</b></p> <p>3 Q What about Mr. Ellington? Since leaving</p> <p>4 Highland, have you -- you know what, actually,</p> <p>5 before we get to that, so you said you met him for</p> <p>6 the first time in March of this year and can you</p> <p>7 tell me about that meeting?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 <b>A We were reviewing a pitch deck.</b></p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Was this before or -- well, this would be</p> <p>12 after you left Highland, right?</p> <p>13 <b>A Yes.</b></p> <p>14 Q Yeah. Okay. And so a pitch deck for</p> <p>15 what?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 <b>A Services that Skyview may provide to</b></p> <p>18 <b>entities that he may control.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q Okay. So were you pitching to him?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 <b>A No, I was not.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q So then can you help me understand the</p> <p>25 pitch deck. Were you putting this together? Like</p>	<p>52</p> <p>1 Q Why were you the person who met with</p> <p>2 Mr. Dondero?</p> <p>3 <b>A Because I was building the PowerPoint</b></p> <p>4 <b>presentation.</b></p> <p>5 Q So did you discuss the substance of the</p> <p>6 deck?</p> <p>7 MS. SMITH: Objection, form.</p> <p>8 <b>A The substance of the deck?</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Yeah.</p> <p>11 <b>A I suppose so.</b></p> <p>12 Q Okay. Did you ever actually pitch for the</p> <p>13 work?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 <b>A To Mr. Dondero?</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Yeah.</p> <p>18 <b>A No.</b></p> <p>19 Q So were you already hired by Mr. Dondero</p> <p>20 at the time that you were reviewing this pitch</p> <p>21 book?</p> <p>22 <b>A Was I hired by Mr. Dondero?</b></p> <p>23 MS. SMITH: Objection, form.</p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q Was Skyview hired -- already hired by</p>

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<p>53</p> <p>1 Mr. Dondero at the time you met to review this 2 deck? 3 <b>A Not with respect to this particular 4 business, no.</b> 5 Q After you met with Mr. Dondero, did -- was 6 Skyview hired by Mr. Dondero to do that work? 7 MS. SMITH: Objection, form. 8 <b>A Several months later, yes.</b> 9 <b>BY MS. TOMKOWIAK:</b> 10 Q Approximately when? 11 MS. SMITH: Objection, form. 12 <b>A Between March and June, a couple months 13 after. I don't know the exact date. Again, not 14 trying to be evasive.</b> 15 <b>BY MS. TOMKOWIAK:</b> 16 Q Since leaving Highland, have you had any 17 other communications with Mr. Dondero? 18 <b>A No.</b> 19 Q So when he reached out to hire Skyview, 20 did he reach out to you? 21 <b>A No. That was -- I had nothing to do with 22 any of that.</b> 23 Q Do you know who he reached out to? 24 <b>A I assume JP Sevilla, Brian Collins, Frank 25 Waterhouse, the kind of top guys.</b></p>	<p>55</p> <p>1 Q How many times? 2 <b>A I have no idea. I've seen him in person.</b> 3 Q Hundreds of times? 4 MS. SMITH: Objection, form. 5 <b>A Hundreds? No. Wouldn't be that much.</b> 6 <b>BY MS. TOMKOWIAK:</b> 7 Q Okay. Dozens? 8 <b>A Probably less.</b> 9 Q And have those communications related to 10 your work at Skyview? 11 <b>A Small percentage probably.</b> 12 Q Okay. And what else have you talked to 13 him about? 14 MS. SMITH: Objection, form. 15 <b>A My kids, you know, friendly personal-type 16 stuff.</b> 17 <b>BY MS. TOMKOWIAK:</b> 18 Q So you're -- a small percentage of those 19 conversations were about work and a much larger 20 percentage of those conversations were more 21 personal or social in nature? 22 <b>A That's right.</b> 23 Q And you said you've seen him in person. 24 What was the nature of that in-person 25 communication?</p>
<p>54</p> <p>1 Q So how did you come to learn that Skyview 2 had been hired for that work? 3 <b>A Well, I was part of the -- I built the 4 deck, so they said -- I was told that we were 5 hired.</b> 6 Q You were told by one of your colleagues at 7 Skyview? 8 <b>A That's right.</b> 9 Q Do you remember who? 10 <b>A It was probably on a group e-mail. I 11 don't know. I don't know specifically.</b> 12 Q You don't know specifically or you just 13 don't recall? 14 <b>A What's the difference here? I don't 15 recall. I don't know specifically who delivered 16 that message.</b> 17 Q Since leaving Highland, have you had any 18 communications with Mr. Ellington? 19 <b>A Yes.</b> 20 MS. SMITH: Objection, form. 21 <b>BY MS. TOMKOWIAK:</b> 22 Q Okay. What type of communications? 23 MS. SMITH: Objection, form. 24 <b>A We've spoken on the phone.</b> 25 <b>BY MS. TOMKOWIAK:</b></p>	<p>56</p> <p>1 MS. SMITH: Objection, form. 2 <b>A We've had lunch a couple times.</b> 3 <b>BY MS. TOMKOWIAK:</b> 4 Q Anything else? 5 <b>A Not really that I can recall, no.</b> 6 Q Have you had any communications with 7 Mr. Ellington while he's been on his vacation in 8 Africa? 9 MS. SMITH: Objection, form. 10 <b>A A brief e-mail.</b> 11 <b>BY MS. TOMKOWIAK:</b> 12 Q Do you recall when that was? 13 <b>A Late June, early July. Several weeks ago.</b> 14 Q Anything else? 15 <b>A No.</b> 16 Q Have you spoken with Mr. Ellington about 17 this deposition? 18 <b>A No.</b> 19 Q Have you spoken with Mr. Ellington about 20 this matter more generally? 21 <b>A When? Can you be -- specify which time -- 22 or what time frame?</b> 23 Q At any time after you left Highland. 24 <b>A No.</b> 25 Q While at Highland, did you speak with</p>

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<p>57</p> <p>1 Mr. Ellington about topics relevant to this 2 matter? 3 MS. SMITH: Objection, form. 4 <b>A I think early on, when I -- like late '17</b> 5 <b>probably, early '18.</b> 6 <b>BY MS. TOMKOWIAK:</b> 7 Q What did you talk about? 8 <b>A What did I talk about with respect to --</b> 9 Q With respect to the topics that are 10 relevant to this matter. 11 <b>A Can you be more specific, please?</b> 12 Q What were you thinking of when you said 13 that? 14 <b>A Do you mean in respect to UBS; something</b> 15 <b>else?</b> 16 Q UBS, Sentinel. 17 MS. SMITH: Objection, form. 18 <b>A I was, I believe, given a high-level kind</b> 19 <b>of summary of the case way back when, due to being</b> 20 <b>on the board of Sentinel and having involvement.</b> 21 <b>BY MS. TOMKOWIAK:</b> 22 Q Okay. We will come back to that. Let's 23 see. Since leaving Highland, have you had any 24 communications with Mr. Leventon? 25 <b>A Yes.</b></p>	<p>59</p> <p>1 <b>space.</b> 2 Q So where is your temporary office space? 3 <b>A It's at the NexBank building in uptown.</b> 4 Q Okay. So when I asked you about if you're 5 working at NexPoint, your answer was no because 6 you're actually working at NexBank? 7 <b>A That's right.</b> 8 MS. SMITH: Objection, form. 9 BY MS. TOMKOWIAK: 10 Q Okay. And so you've seen Mr. Leventon in 11 person in those offices? 12 <b>A That's correct.</b> 13 Q Okay. Have you seen Mr. Ellington in 14 person in those offices? 15 <b>A Once maybe.</b> 16 Q Have you spoken with Mr. Leventon about 17 this deposition? 18 <b>A Only in the context of logistics, as I've</b> 19 <b>never been deposed before. I just generally asked</b> 20 <b>how it goes.</b> 21 Q What did he say? 22 <b>A Lawyers on two sides of the table, camera</b> 23 <b>up front. He said it's tiring.</b> 24 Q That's pretty accurate. 25 <b>A So far seems to be.</b></p>
<p>58</p> <p>1 Q What types of communications? 2 <b>A Similar to Mr. Ellington, a mix of</b> 3 <b>personal and professional. Isaac is a friend of</b> 4 <b>mine.</b> 5 Q And does he work at Skyview? 6 <b>A He does.</b> 7 Q What percentage of those conversations 8 have been personal versus professional? 9 MS. SMITH: Objection, form. 10 <b>A A low percentage of professional, a high</b> 11 <b>percentage of personal. Isaac likes to talk about</b> 12 <b>World War II history and I don't, so I listen to</b> 13 <b>that a lot.</b> 14 <b>BY MS. TOMKOWIAK:</b> 15 Q Have you seen Mr. Leventon in person? 16 <b>A I have.</b> 17 Q How many times? 18 <b>A I don't know.</b> 19 Q Approximately? 20 MS. SMITH: Objection, form. 21 <b>A Ten.</b> 22 <b>BY MS. TOMKOWIAK:</b> 23 Q And have those all been for personal 24 reasons? 25 <b>A No, generally in our temporary office</b></p>	<p>60</p> <p>1 Q Other than that, have you had any other 2 communications with Mr. Leventon about the subject 3 matter of this -- about the subject matter of this 4 proceeding? 5 <b>A Since leaving Highland, is that the time</b> 6 <b>frame?</b> 7 Q Yes. 8 <b>A No.</b> 9 Q What about Mr. Sevilla? You said that you 10 report to him at Skyview; is that right? 11 <b>A That's correct.</b> 12 Q Okay. So I assume you've had 13 communications with him prior to leaving -- I'm 14 sorry, after leaving Highland? 15 <b>A That's correct.</b> 16 Q And have the nature of those 17 communications also been both professional and 18 personal? 19 <b>A Yeah, probably 50/50.</b> 20 Q Have you seen him in person? 21 <b>A Almost every day.</b> 22 Q At the temporary office? 23 <b>A (Nods head.)</b> 24 Q Just a verbal -- 25 <b>A Yes, sorry. Correct. Sorry.</b></p>



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<p>61</p> <p>1 Q Mr. Leventon should have told you that.</p> <p>2 <b>A The one thing he left out.</b></p> <p>3 Q Yes. Need verbal answers.</p> <p>4 And have you had any communications with</p> <p>5 Mr. Sevilla about the subject matter of this</p> <p>6 proceeding?</p> <p>7 <b>A No.</b></p> <p>8 Q Have you had any communications with</p> <p>9 Mr. Sevilla about today's deposition?</p> <p>10 <b>A No.</b></p> <p>11 Q What about Ms. Lucas, formerly Katie</p> <p>12 Irving? Have you had any communications with her</p> <p>13 since you left Highland?</p> <p>14 <b>A Yes.</b></p> <p>15 Q What types of communications?</p> <p>16 <b>A I check in every two or three weeks to see</b></p> <p>17 <b>how her kids are doing, how she's doing. Again,</b></p> <p>18 <b>she's a friend, as JP is as well.</b></p> <p>19 Q Did you know Mr. Leventon prior to working</p> <p>20 at Highland?</p> <p>21 <b>A I met him on our consulting project during</b></p> <p>22 <b>my MBA that I mentioned before.</b></p> <p>23 Q Did you know Mr. Sevilla prior to working</p> <p>24 at Highland?</p> <p>25 <b>A Same.</b></p>	<p>63</p> <p>1 <b>also, if that counts.</b></p> <p>2 Q While working at Highland, you had e-mail</p> <p>3 addresses that used the HighlandCapital.com and</p> <p>4 hcmlp.com domains; is that right?</p> <p>5 <b>A I think so.</b></p> <p>6 Q Can you think of any other e-mail</p> <p>7 addresses that you used while you were employed at</p> <p>8 Highland?</p> <p>9 <b>A Yes.</b></p> <p>10 Q What are those?</p> <p>11 <b>A It was an SAS Management e-mail.</b></p> <p>12 Q And anything else?</p> <p>13 <b>A That's it.</b></p> <p>14 Q Did you ever use your personal e-mail</p> <p>15 address in connection with your work at Highland?</p> <p>16 <b>A No. Not that I recall.</b></p> <p>17 Q What is your personal e-mail address?</p> <p>18 <b>A What is my e-mail address?</b></p> <p>19 Q Uh-huh.</p> <p>20 &lt;-- HIGHLY CONFIDENTIAL --&gt;</p> <p>21 Q What is SAS Management?</p> <p>22 <b>A It was an asset recovery/litigation</b></p> <p>23 <b>funding business.</b></p> <p>24 Q Do you know what SAS stands for?</p> <p>25 <b>A I don't.</b></p>
<p>62</p> <p>1 Q Did you know Ms. Irving prior to working</p> <p>2 at Highland?</p> <p>3 <b>A Same. Same working group.</b></p> <p>4 Q So you met all of them during your MBA+</p> <p>5 project?</p> <p>6 <b>A Yeah.</b></p> <p>7 Q Do you know when Ms. Lucas is coming back</p> <p>8 from maternity leave?</p> <p>9 <b>A I don't.</b></p> <p>10 MS. SMITH: Objection, form.</p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Have you had any other communications --</p> <p>13 strike that.</p> <p>14 Have you had any communications with</p> <p>15 anybody who currently works at Highland since you</p> <p>16 left Highland?</p> <p>17 <b>A I believe I exchanged a few texts with</b></p> <p>18 <b>Tim Cournoyer.</b></p> <p>19 Q Anybody else?</p> <p>20 <b>A I don't believe so.</b></p> <p>21 Q What did you text Tim Cournoyer about?</p> <p>22 <b>A I think just, hey, how are you doing type</b></p> <p>23 <b>stuff. Tim was a friend as well.</b></p> <p>24 Q And you said nobody else?</p> <p>25 <b>A No. And I ran into Tim at a grocery store</b></p>	<p>64</p> <p>1 Q Do you have any guesses?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 <b>A I don't.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Did you ever ask?</p> <p>6 <b>A I didn't.</b></p> <p>7 Q Why did you have an e-mail address at SAS</p> <p>8 Management?</p> <p>9 <b>A I provided service to SAS Management.</b></p> <p>10 Q Was that in your capacity as a Highland</p> <p>11 employee?</p> <p>12 <b>A I never really thought about it. I'm not</b></p> <p>13 <b>sure.</b></p> <p>14 Q Did you receive compensation from SAS</p> <p>15 Management?</p> <p>16 <b>A No.</b></p> <p>17 Q How much time did you spend working on</p> <p>18 matters for SAS?</p> <p>19 <b>A On what time frame?</b></p> <p>20 Q Well, let's start from when you first</p> <p>21 started at Highland. How much of your time did</p> <p>22 you spend working on SAS matters?</p> <p>23 <b>A Twenty-five percent, maybe.</b></p> <p>24 Q Did that change over time?</p> <p>25 <b>A It got less and less.</b></p>

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<p>65</p> <p>1 Q And by February 2021, how much time were</p> <p>2 you spending on SAS matters?</p> <p>3 A <b>Zero.</b></p> <p>4 Q What types of services did you provide for</p> <p>5 SAS?</p> <p>6 A <b>I did -- I performed a lot of due</b></p> <p>7 <b>diligence on potential cases, investments,</b></p> <p>8 <b>whatever you want to call it, financial modeling,</b></p> <p>9 <b>different scenarios, different outcomes.</b></p> <p>10 Q Who asked you to work on that?</p> <p>11 A <b>Mr. Ellington.</b></p> <p>12 Q Anybody else?</p> <p>13 A <b>No. Not that I recall.</b></p> <p>14 Q Does -- did SAS have an office?</p> <p>15 A <b>In -- where?</b></p> <p>16 Q Anywhere.</p> <p>17 A <b>I think there's office space in Cayman,</b></p> <p>18 <b>Cayman Islands.</b></p> <p>19 Q Did you ever go there?</p> <p>20 A <b>To the Cayman Islands?</b></p> <p>21 Q Uh-huh.</p> <p>22 A <b>Yes.</b></p> <p>23 Q Did you ever go to SAS's office in the</p> <p>24 Caymans?</p> <p>25 A <b>Yeah, once.</b></p>	<p>67</p> <p>1 Q And what was the purpose of that trip?</p> <p>2 A <b>We did business development-type stuff.</b></p> <p>3 Q What type of business development?</p> <p>4 A <b>Meeting with attorneys, meeting with</b></p> <p>5 <b>potential people -- or potential clients who could</b></p> <p>6 <b>use the services that SAS would provide.</b></p> <p>7 Q Was your -- were these business</p> <p>8 development-type stuff solely related to SAS</p> <p>9 Management or SAS -- if I say SAS, can we agree</p> <p>10 that means SAS Asset Recovery, SAS Management, the</p> <p>11 SAS structure, or would you prefer that it's a</p> <p>12 specific entity?</p> <p>13 A <b>I can agree to that, yeah.</b></p> <p>14 Q Okay. So were the -- was the business</p> <p>15 development that you and Mr. Ellington were doing</p> <p>16 in the Cayman Islands solely related to SAS?</p> <p>17 A <b>Yes.</b></p> <p>18 Q And it wasn't on behalf of Highland?</p> <p>19 A <b>I don't know.</b></p> <p>20 Q Who paid for that trip?</p> <p>21 A <b>I have no idea.</b></p> <p>22 Q Did you pay for that trip?</p> <p>23 A <b>I did not, no.</b></p> <p>24 Q How long were you there?</p> <p>25 A <b>I don't know.</b></p>
<p>66</p> <p>1 Q Did SAS have any employees that worked</p> <p>2 full-time at the office in the Cayman Islands?</p> <p>3 A <b>I don't believe so.</b></p> <p>4 Q When you went there, was there anybody</p> <p>5 else there?</p> <p>6 A <b>Not the day I was there.</b></p> <p>7 Q What about the day before you were there?</p> <p>8 A <b>I have no idea.</b></p> <p>9 MS. SMITH: Objection, form.</p> <p>10 A <b>I wasn't there.</b></p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Okay. So you were just -- it was just you</p> <p>13 in the office alone that day?</p> <p>14 A <b>I'm sure I was with Mr. Ellington.</b></p> <p>15 Q Oh, okay. So it was you and Mr. Ellington</p> <p>16 in the office that day?</p> <p>17 A <b>Sorry. I thought you meant people there</b></p> <p>18 <b>work -- like there working already when we showed</b></p> <p>19 <b>up.</b></p> <p>20 Q Do you recall approximately when that was?</p> <p>21 A <b>Sometime maybe late 2017, early 2018. I</b></p> <p>22 <b>don't know exactly.</b></p> <p>23 Q Did Mr. Ellington ask you to come with him</p> <p>24 to the Cayman Islands?</p> <p>25 A <b>Yes, he would have.</b></p>	<p>68</p> <p>1 Q A week?</p> <p>2 A <b>Probably less.</b></p> <p>3 Q A few days?</p> <p>4 A <b>Sounds about right.</b></p> <p>5 Q Do you recall which attorneys you met</p> <p>6 with?</p> <p>7 A <b>I don't.</b></p> <p>8 Q Did you get any new business as a result</p> <p>9 of that trip?</p> <p>10 A <b>I want to say no, I don't believe so.</b></p> <p>11 Q Where did you stay?</p> <p>12 A <b>At a house.</b></p> <p>13 Q Who owned that house, if you know?</p> <p>14 A <b>I don't know.</b></p> <p>15 Q Did Mr. Ellington own that house?</p> <p>16 A <b>I don't believe so.</b></p> <p>17 Q Was it a private house?</p> <p>18 A <b>What do you mean?</b></p> <p>19 Q Well, it wasn't a hotel. Was it a hotel?</p> <p>20 A <b>It was a house at a hotel, if that makes</b></p> <p>21 <b>sense.</b></p> <p>22 Q It does make sense. That's kind of what I</p> <p>23 was getting at. So it was a residence affiliated</p> <p>24 with a hotel property?</p> <p>25 A <b>Correct.</b></p>

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<p>69</p> <p>1 Q Okay. And so you don't know one way or 2 the other if Mr. Ellington owns that house? 3 <b>A I don't believe he owns the house.</b> 4 Q You don't believe he owns the house. Was 5 that your only trip to the Cayman Islands? 6 <b>A In --</b> 7 Q During the time that you worked at 8 Highland. 9 <b>A No.</b> 10 Q When else did you travel to the Cayman 11 Islands? 12 <b>A I don't know specific dates, but we'd go</b> 13 <b>one or two times a year probably.</b> 14 Q Were those -- and when you say we, do you 15 mean you and Mr. Ellington? 16 <b>A Yeah. Sorry.</b> 17 Q Were those trips always for SAS? 18 <b>A Not always.</b> 19 Q What were the other purposes of those 20 trips? 21 <b>A There was -- we had -- we had to go meet</b> 22 <b>with CIMA, the Cayman Islands Monetary Authority,</b> 23 <b>on behalf of Sentinel Reinsurance.</b> 24 Q Any other purposes? 25 <b>A Yes. We were exploring a -- launching a</b> </p>	<p>71</p> <p>1 Q Those are the ones I'm interested in. 2 <b>A And then we met on behalf of the bank --</b> 3 <b>or with the banking division on exploring that</b> 4 <b>bank project. That's why I'm specifying.</b> 5 Q Understood. So with respect to Sentinel, 6 what was the purpose of those meetings? 7 <b>A CIMA performs inspections, routine</b> 8 <b>inspections every five years, as I understand it,</b> 9 <b>on at least insurance companies that operate in</b> 10 <b>Cayman. That was a part of that inspection.</b> 11 Q But you said during your four-year period, 12 you went once or twice a year to the Cayman 13 Islands. So how many -- how many times did you 14 meet with CIMA with respect to Sentinel? 15 <b>A I believe twice.</b> 16 Q Other than routine inspections, was there 17 any other purpose of those meetings? 18 <b>A With CIMA?</b> 19 Q Uh-huh. 20 <b>A No. It was all related to the inspection.</b> 21 Q Why did you go to those meetings? 22 <b>A Why did I attend the meetings? I was a</b> 23 <b>director at Sentinel.</b> 24 Q You weren't the only director, right? 25 <b>A That's correct.</b> </p>
<p>70</p> <p>1 <b>potential bank -- or potentially launching a bank,</b> 2 <b>excuse me, and we met with a different department</b> 3 <b>at the Cayman Islands Monetary Authority with</b> 4 <b>respect to that project.</b> 5 Q Did you ever launch that bank? 6 <b>A We did not.</b> 7 Q Why not? 8 MS. SMITH: Objection, form. 9 <b>A I don't entirely know the reason why it</b> 10 <b>never got off the ground.</b> 11 <b>BY MS. TOMKOWIAK:</b> 12 Q Do you partially know? 13 MS. SMITH: Objection, form. 14 <b>A I don't. It wouldn't have been my</b> 15 <b>decision to go forward or stop.</b> 16 <b>BY MS. TOMKOWIAK:</b> 17 Q When you met with CIMA, was that a 18 mandatory meeting? Let me ask a better question. 19 What was the purpose of your meeting with 20 CIMA? 21 <b>A Which meetings?</b> 22 Q How many different types of meetings did 23 you have with CIMA? 24 <b>A Well, I said we went and met on behalf of</b> 25 <b>Sentinel Reinsurance.</b> </p>	<p>72</p> <p>1 Q Did the other directors attend? 2 <b>A One of them attended in person.</b> 3 Q Did the other directors live in the Cayman 4 Islands? 5 <b>A Yes. I don't know if full-time, but they</b> 6 <b>lived down there. They're European guys. I don't</b> 7 <b>know how much time they spend in Europe.</b> 8 Q Did CIMA require a director to attend? 9 <b>A I actually don't know.</b> 10 Q Did Mr. Ellington ask you to attend? 11 <b>A Yes. We went together.</b> 12 Q And why did Mr. Ellington go? 13 <b>A I don't know.</b> 14 Q Was that in his role as an owner of 15 Sentinel? 16 MS. SMITH: Objection, form. 17 <b>A You'd have to ask him why he attended.</b> 18 <b>I'm not entirely sure.</b> 19 <b>BY MS. TOMKOWIAK:</b> 20 Q So you didn't ask him why he was attending 21 the meeting with CIMA on behalf of Sentinel? 22 MS. SMITH: Objection, form. 23 <b>A No, I didn't.</b> 24 <b>BY MS. TOMKOWIAK:</b> 25 Q You didn't say, hey -- you never asked him </p>

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<p>73</p> <p>1 what his role was at those meetings?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 <b>A No.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Did CIMA ask why he was there?</p> <p>6 <b>A Not that I recall.</b></p> <p>7 Q What did they ask about during those</p> <p>8 meetings?</p> <p>9 <b>A We reviewed the inspection report, chatted</b></p> <p>10 <b>about the business.</b></p> <p>11 Q What about the business?</p> <p>12 <b>A Just day-to-day, what -- you know, again,</b></p> <p>13 <b>it's a -- every five years they kind of look under</b></p> <p>14 <b>the hood and see if the companies that operate in</b></p> <p>15 <b>the Caymans actually have a presence there or that</b></p> <p>16 <b>sort of thing and are meeting the governance</b></p> <p>17 <b>requirements, that sort of thing.</b></p> <p>18 Q And what I'm trying to understand about</p> <p>19 every five years is that you said you went twice</p> <p>20 in a four-year period. So was there some other</p> <p>21 purpose besides this routine five-year inspection?</p> <p>22 <b>A No. We went when we got the initial</b></p> <p>23 <b>report, if I remember correctly, around the -- or</b></p> <p>24 <b>a draft report, to discuss it with them and then</b></p> <p>25 <b>the company had a few housekeeping things to clean</b></p>	<p>75</p> <p>1 <b>A No, not that I recall.</b></p> <p>2 Q When, approximately, was the date of the</p> <p>3 first report?</p> <p>4 MS. SMITH: Objection, form.</p> <p>5 <b>A I think it was early 2019 maybe.</b></p> <p>6 <b>BY MS. TOMKOWIAK:</b></p> <p>7 Q And then you and Mr. Ellington went to</p> <p>8 meet with CIMA shortly after that?</p> <p>9 <b>A I don't remember the timing, but</b></p> <p>10 <b>subsequent to the report at some point.</b></p> <p>11 Q When was the date of the final report?</p> <p>12 <b>A Later in the year at some point. I'm not</b></p> <p>13 <b>entirely sure.</b></p> <p>14 Q To the best of your recollection, later in</p> <p>15 2019?</p> <p>16 <b>A Yeah. That sounds right.</b></p> <p>17 Q Did you and Mr. Ellington -- was your</p> <p>18 second meeting after that second -- the final</p> <p>19 report?</p> <p>20 <b>A I believe it was before.</b></p> <p>21 Q Okay. So you had, to the best of your</p> <p>22 recollection, two trips to the Cayman Islands in</p> <p>23 2019 to meet with CIMA to review their inspection</p> <p>24 of Sentinel?</p> <p>25 <b>A That sounds right.</b></p>
<p>74</p> <p>1 <b>up and we went back and just spoke to them again</b></p> <p>2 <b>and said this is what we did, are you guys happy.</b></p> <p>3 Q What were the housekeeping things to clean</p> <p>4 up?</p> <p>5 <b>A For example, we had one board meeting one</b></p> <p>6 <b>year, we were supposed to have two, that sort of</b></p> <p>7 <b>thing. So we had to appoint one of the directors</b></p> <p>8 <b>as, I think it was an anti-money laundering</b></p> <p>9 <b>officer as a requirement and I think it was a</b></p> <p>10 <b>newer requirement that maybe had come up in the</b></p> <p>11 <b>last five years, so we just basically assigned one</b></p> <p>12 <b>of the board members that role. Or one of the</b></p> <p>13 <b>directors, excuse me, that role, stuff like that.</b></p> <p>14 Q So you identified two issues. So you were</p> <p>15 supposed to have two board meetings a year and you</p> <p>16 were only having one?</p> <p>17 <b>A I think so.</b></p> <p>18 Q And then another issue was this anti-money</p> <p>19 laundering officer as a requirement?</p> <p>20 <b>A Yeah. And I think it was a regulatory</b></p> <p>21 <b>change that had come up at some point in the</b></p> <p>22 <b>five years between inspections. It's my</b></p> <p>23 <b>understanding anyway.</b></p> <p>24 Q Do you recall any other issues that you</p> <p>25 had to clean up for CIMA?</p>	<p>76</p> <p>1 Q And did CIMA ask Mr. Ellington why he was</p> <p>2 there?</p> <p>3 <b>A Not that I recall.</b></p> <p>4 Q Did CIMA need to know for purposes of its</p> <p>5 inspection who the owners of Sentinel were?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 <b>A I don't know.</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q Did you need to know that as a director of</p> <p>10 Sentinel?</p> <p>11 <b>A I don't know.</b></p> <p>12 Q So you were comfortable being the director</p> <p>13 of a company without knowing who owned it?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 <b>A Yeah, I was put on -- I was put on the</b></p> <p>16 <b>board as a director -- or made a director, excuse</b></p> <p>17 <b>me, and I did my job. I didn't really question</b></p> <p>18 <b>what was going on, who ultimately owned anything.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q What do you mean by anything?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 <b>A I mean I was doing my job in the context</b></p> <p>23 <b>of what had to be done as a director. I did not</b></p> <p>24 <b>really stop to think about who owned what or how.</b></p> <p>25 <b>BY MS. TOMKOWIAK:</b></p>

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<p>77</p> <p>1 Q Okay. So it was completely irrelevant to 2 you who owned Sentinel? 3 MS. SMITH: Objection, form. 4 <b>A Kind of.</b> 5 <b>BY MS. TOMKOWIAK:</b> 6 Q You could do your job without knowing who 7 owned Sentinel? 8 <b>A I could.</b> 9 Q You could satisfy all of your fiduciary 10 duties to Sentinel -- 11 MS. SMITH: Objection. 12 <b>BY MS. TOMKOWIAK:</b> 13 Q -- as you understood them without knowing 14 who Sentinel's owners were? 15 MS. SMITH: Objection, form. 16 <b>A I'm not an attorney. I don't know what</b> 17 <b>satisfies all points under fiduciary duty. But I</b> 18 <b>think if I'm looking out in the best interest of</b> 19 <b>the company as a director, which I was, then</b> 20 <b>ultimately that inures to the benefit of whoever</b> 21 <b>owns it.</b> 22 <b>BY MS. TOMKOWIAK:</b> 23 Q So did you believe as a director -- not an 24 as attorney because I understand you're not an 25 attorney, but as a director, did you have an</p>	<p>79</p> <p>1 Q Did you have a conversation with anybody 2 at any time during which you were a director at 3 Sentinel about what your fiduciary duties were? 4 <b>A Not that I recall.</b> 5 Q And you said that you were working for the 6 best interest of the company; is that right? 7 <b>A Yeah, I believe so.</b> 8 Q And who did you understand the company to 9 be? 10 <b>A Sentinel Reinsurance --</b> 11 Q Right. 12 <b>A -- was the company that I was a director</b> 13 <b>of, so that's the company I'm referring to.</b> 14 Q And you didn't understand that company to 15 be comprised of any particular people? 16 MS. SMITH: Objection, form. 17 <b>A Again, like I said before, I assumed there</b> 18 <b>was some ownership between Mr. Ellington and</b> 19 <b>Mr. Dondero, but I don't know how or what, other</b> 20 <b>than what I read in the -- I think it was a</b> 21 <b>complaint or said in court or something.</b> 22 <b>BY MS. TOMKOWIAK:</b> 23 Q Did you know if Sentinel Reinsurance had 24 any shareholders? 25 MS. SMITH: Objection, form.</p>
<p>78</p> <p>1 understanding of what your fiduciary duties were? 2 MS. SMITH: Objection, form. 3 <b>A Not particularly. Again, I'm not an</b> 4 <b>attorney. I did my job the best I could to what I</b> 5 <b>thought was the benefit of the company, which is</b> 6 <b>my very high-level understanding of fiduciary</b> 7 <b>duty.</b> 8 <b>BY MS. TOMKOWIAK:</b> 9 Q Did Sentinel have attorneys? 10 <b>A On staff?</b> 11 Q That represented it. 12 <b>A For -- at times, when necessary.</b> 13 Q And none of those attorneys explained to 14 you what your fiduciary duties were as a director? 15 MS. SMITH: Objection, form and privilege 16 what he discussed with the attorneys for Sentinel. 17 THE WITNESS: Do I have to answer that? 18 MS. TOMKOWIAK: Are you instructing him 19 not to answer that question? 20 MS. SMITH: Not to answer it if you have 21 to divulge privileged information. 22 <b>A I think it's safe to say that I've never</b> 23 <b>had that conversation with an attorney about what</b> 24 <b>my fiduciary duty was as a director of Sentinel.</b> 25 <b>BY MS. TOMKOWIAK:</b></p>	<p>80</p> <p>1 <b>A I assume it does. I don't know who the</b> 2 <b>shareholders are.</b> 3 <b>BY MS. TOMKOWIAK:</b> 4 Q And during -- and you never learned who 5 the shareholders were, if any, at any point while 6 you were a director of Sentinel? 7 MS. SMITH: Objection, form. 8 <b>A Not that I recall.</b> 9 <b>BY MS. TOMKOWIAK:</b> 10 Q Did you ask any questions about Sentinel 11 before you agreed to be a director? 12 <b>A I asked what it was, what sort of business</b> 13 <b>it was in, products it provided, what the</b> 14 <b>day-to-day responsibilities would be.</b> 15 Q And what did they tell you -- well, who 16 did you ask? 17 <b>A I would have asked JP Sevilla.</b> 18 Q You would have -- did Mr. Sevilla ask you 19 to be a director? 20 <b>A No.</b> 21 Q So why did you ask him? 22 <b>A Because in the -- my understanding was</b> 23 <b>that he handled kind of day-to-day stuff for</b> 24 <b>Sentinel if it came up, which at -- my</b> 25 <b>understanding at the time was there was not much</b></p>

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<p>1 going on day to day. So that was passed off to 2 me. 3 MS. TOMKOWIAK: Let's take a break. 4 THE VIDEOGRAPHER: We are off the record 5 at 10:55 a.m. 6 (Recess taken from 10:55 a.m. CDT to 7 11:22 a.m. CDT) 8 THE VIDEOGRAPHER: The time is 11:22 a.m. 9 We are back on the record. 10 BY MS. TOMKOWIAK: 11 Q Mr. DiOrio, I understand that you recalled 12 another conversation that you had with Mr. Dondero 13 after you left Highland; is that right? 14 A That's correct. 15 Q Tell me about that conversation. 16 A He -- his admin asked me to come down to 17 his -- or come to his office and he asked me 18 where -- if I had heard from Mr. Ellington. It 19 was very brief. 20 Q When did that take place? 21 A Earlier this week. 22 Q Earlier this week? 23 A I think so. 24 Q What day? 25 A Monday or Tuesday.</p>	<p>81</p> <p>1 Q Why did he want to know if you had heard 2 from Mr. Ellington? 3 MS. SMITH: Objection, form. 4 A Not entirely sure, but he must -- I don't 5 know. 6 BY MS. TOMKOWIAK: 7 Q Did he say why he wanted to know if you 8 had heard from Mr. Ellington? 9 A Because I don't think anyone's heard from 10 Mr. Ellington since he's been gone, or in several 11 weeks anyway. 12 Q Okay. So did you -- what was your 13 response? 14 A I told him I would try to contact him. 15 Q Did you try to contact him? 16 A I did. 17 Q How? 18 A I sent an e-mail and a text message. 19 Q Did you receive an e-mail back? 20 A I did not. 21 Q Did you receive a text back? 22 A I did not. 23 Q Have you talked to anybody else about 24 whether they've been able to reach Mr. Ellington? 25 A Not specifically. It sounds like no one's</p> <p>83</p>
<p>1 Q Who is Mr. Dondero's admin? 2 A Her name is Tara. 3 Q Tara what? 4 A Was Loiben at Highland, but I think she 5 got married since. I'm not sure. 6 Q But Tara is his current assistant? 7 A One of. I think he has a couple. 8 Q When you say Mr. Dondero's office, which 9 office? 10 A His office on -- at the NexBank, I guess 11 corporate office. 12 Q So is that the same office building where 13 you're currently working? 14 A It's the same building we're temporarily 15 in, yes. Different floor. 16 Q So when you went to his office, you just 17 went to a different floor? 18 A That's right. 19 Q So you were already in the office that 20 day? 21 A Yes. 22 Q And you said that he wanted to know -- I 23 don't want to put words in your mouth -- if you 24 had heard from Mr. Ellington? 25 A That's correct.</p>	<p>82</p> <p>1 heard from him in a few weeks. 2 Q Did Mr. Dondero say anything else during 3 that conversation? 4 A No. 5 Q Did he tell you why he was trying to get 6 in touch with Mr. Ellington? 7 MS. SMITH: Objection, form. 8 A Just that he hadn't heard from him. 9 BY MS. TOMKOWIAK: 10 Q And then I understand that you also -- 11 right. And the last time that you heard from 12 Mr. Ellington was the e-mail that you received 13 from him you said a few weeks ago? 14 A Yeah. 15 Q And then I understand that you also 16 recalled another e-mail address that you used 17 while at Highland; is that right? 18 A Yes, that's correct. 19 Q What is that? 20 A It was mdiorio@ -- I think it was 21 ogventures.com. 22 Q What is OG Ventures? 23 A Mr. Ellington had a -- had a couple of 24 investments in oil and gas that predated my time 25 and I was tasked with monitoring, ultimately</p> <p>84</p>

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<p>85</p> <p>1 <b>selling one of them.</b></p> <p>2 Q Was that -- did you receive compensation</p> <p>3 for that separate from the compensation that you</p> <p>4 received from Highland?</p> <p>5 <b>A No.</b></p> <p>6 Q Okay. Did you do that work out of your</p> <p>7 Highland office?</p> <p>8 <b>A Partly probably.</b></p> <p>9 Q How did you know while at Highland which</p> <p>10 e-mail address to use?</p> <p>11 <b>A For -- what do you mean?</b></p> <p>12 Q For anything. Like if you were sending an</p> <p>13 e-mail, how did you choose which one to use?</p> <p>14 <b>A Well, the OG one, for example, I barely</b></p> <p>15 <b>used. But generally if it was SAS-related items,</b></p> <p>16 <b>offshore, I guess, another way I think of it, I'd</b></p> <p>17 <b>use that. Everything else I would use Highland</b></p> <p>18 <b>for distressed and private equity stuff.</b></p> <p>19 Q What about with respect to Sentinel?</p> <p>20 Which e-mail address would you use?</p> <p>21 <b>A SAS.</b></p> <p>22 Q What is the relationship between Sentinel</p> <p>23 and SAS?</p> <p>24 <b>A I don't believe there is one.</b></p> <p>25 Q Then why would you use your SAS e-mail</p>	<p>87</p> <p>1 <b>I'm thinking org chart-type stuff.</b></p> <p>2 Q So you were aware that Sentinel provided</p> <p>3 insurance services to SAS entities?</p> <p>4 MS. SMITH: Objection, form.</p> <p>5 <b>A In the past, yes.</b></p> <p>6 <b>BY MS. TOMKOWIAK:</b></p> <p>7 Q Do you recall what time frame?</p> <p>8 <b>A My recollection is it ended at the end of</b></p> <p>9 <b>2017.</b></p> <p>10 Q Did Sentinel have any other clients?</p> <p>11 <b>A I'm not sure. What time -- sorry, what</b></p> <p>12 <b>time frame?</b></p> <p>13 Q Well, after that ended in 2017, did</p> <p>14 Sentinel provide insurance coverage to any other</p> <p>15 clients?</p> <p>16 <b>A Yes.</b></p> <p>17 Q Okay. Any other non-Highland affiliated</p> <p>18 clients?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 <b>A No, I don't believe so.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q A few follow-up questions to the topics we</p> <p>23 were discussing before the break.</p> <p>24 Does -- did Sentinel have an office?</p> <p>25 <b>A Not that I'm aware of.</b></p>
<p>86</p> <p>1 account for your work with Sentinel?</p> <p>2 <b>A I never had a -- there's no Sentinel</b></p> <p>3 <b>e-mail addresses.</b></p> <p>4 Q Why not use your Highland e-mail address?</p> <p>5 <b>A Because I -- again, I think of it as kind</b></p> <p>6 <b>of offshore, onshore-type stuff and that just fell</b></p> <p>7 <b>into the offshore bucket since it was Cayman</b></p> <p>8 <b>based.</b></p> <p>9 Q So to your knowledge, there is no</p> <p>10 relationship at all between Sentinel and SAS?</p> <p>11 <b>A Not to my knowledge.</b></p> <p>12 Q Sentinel is not owned directly or</p> <p>13 indirectly in any way by SAS, to your knowledge?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 <b>A Not to my knowledge.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Sentinel didn't provide any insurance</p> <p>18 services to any SAS companies, to your knowledge?</p> <p>19 <b>A It used to.</b></p> <p>20 Q Okay. And you just don't consider that to</p> <p>21 be a relationship between Sentinel and SAS?</p> <p>22 <b>A I would think it's more of a -- define</b></p> <p>23 <b>relationship, I guess. I was thinking more they</b></p> <p>24 <b>were a client -- those entities would be</b></p> <p>25 <b>considered clients. When I think relationship,</b></p>	<p>88</p> <p>1 Q And you mentioned attorneys on staff. Did</p> <p>2 Sentinel have staff?</p> <p>3 <b>A Not that I'm aware of.</b></p> <p>4 Q So if Sentinel needed to have paperwork</p> <p>5 submitted, who would do it?</p> <p>6 <b>A What type -- paperwork? What do you mean?</b></p> <p>7 Q Like if Sentinel needed to submit a report</p> <p>8 to CIMA, who would do that?</p> <p>9 <b>A It would be -- it depends, I guess.</b></p> <p>10 <b>Sentinel would retain counsel if it was that sort</b></p> <p>11 <b>of matter. It has auditors, it has -- you know,</b></p> <p>12 <b>it's regulated by CIMA. There's a lot of</b></p> <p>13 <b>different, I guess, agencies that would touch it,</b></p> <p>14 <b>or businesses.</b></p> <p>15 Q Sorry, were you done?</p> <p>16 <b>A Yes.</b></p> <p>17 Q So all of -- all of those are third</p> <p>18 parties, so auditors, accountants, lawyers. Did</p> <p>19 Sentinel have anybody who was just employed by</p> <p>20 Sentinel?</p> <p>21 <b>A No. Sorry, to back up. It has a</b></p> <p>22 <b>registered office where it receives mail, but no</b></p> <p>23 <b>physical office. I don't think I asked you to</b></p> <p>24 <b>specify, but I'm just clarifying.</b></p> <p>25 Q Did any Highland employees ever do any</p>

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<p>1 work for Sentinel?</p> <p>2 <b>A Yes.</b></p> <p>3 Q Which ones?</p> <p>4 <b>A At what time?</b></p> <p>5 Q At any time during 2017 to 2021.</p> <p>6 <b>A Yes, I think a good number of Highland</b></p> <p>7 <b>employees.</b></p> <p>8 Q Which ones?</p> <p>9 <b>A Do you want -- I don't know the specifics</b></p> <p>10 <b>of time spent, anything like that. Do you just</b></p> <p>11 <b>want names?</b></p> <p>12 Q I just want their names right now.</p> <p>13 <b>A Okay. In some form or fashion,</b></p> <p>14 <b>JP Sevilla, Katie Irving, Isaac Leventon,</b></p> <p>15 <b>Dave Klos, Lauren Thedford, Thomas Surgent,</b></p> <p>16 <b>Carter Chism. I think -- that's all I can really</b></p> <p>17 <b>think of at the moment.</b></p> <p>18 Q And when you say did work for Sentinel, do</p> <p>19 you mean their work touched upon Sentinel or they</p> <p>20 actually took actions on Sentinel's behalf?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 <b>A A mix of both, I think. Also Stetson</b></p> <p>23 <b>Clark. Sorry. Forgot a name.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q Who was that?</p>	<p>1 <b>paid, advised on, you know, anything -- anything</b></p> <p>2 <b>insurance-related.</b></p> <p>3 Q What about Maples? What was their role?</p> <p>4 <b>A When?</b></p> <p>5 Q Any time during the 2017 to 2021 time</p> <p>6 frame.</p> <p>7 <b>A Well, prior to my coming on board, I'm not</b></p> <p>8 <b>sure what they did. But when I came on board,</b></p> <p>9 <b>there were two directors -- the two directors that</b></p> <p>10 <b>were on the board, excuse me, were from Maples. I</b></p> <p>11 <b>assume in the past that's what they did, but I</b></p> <p>12 <b>can't say for sure.</b></p> <p>13 Q Do you know when Sentinel was formed?</p> <p>14 <b>A I believe 2012 or '13. I don't -- again,</b></p> <p>15 <b>I don't know the exact date.</b></p> <p>16 Q What was Mr. Ellington's economic interest</p> <p>17 in SAS?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 <b>A I'm not entirely sure.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Do you know if he had one?</p> <p>22 <b>A I would assume so.</b></p> <p>23 Q Do you know if he received monetary</p> <p>24 payments from SAS?</p> <p>25 <b>A I don't.</b></p>
<p>1 <b>A Stetson Clark, like the hat.</b></p> <p>2 Q Gotcha. And you mentioned reports that</p> <p>3 you received from CIMA. Where would those reports</p> <p>4 be kept?</p> <p>5 <b>A I believe Sentinel's counsel -- or</b></p> <p>6 <b>third-party counsel, I guess, whatever you --</b></p> <p>7 Q External counsel?</p> <p>8 <b>A Thank you.</b></p> <p>9 Q Which counsel?</p> <p>10 <b>A Carey Olsen.</b></p> <p>11 Q Any other counsel?</p> <p>12 <b>A That would have that report?</b></p> <p>13 Q Uh-huh.</p> <p>14 <b>A No.</b></p> <p>15 Q What about Beecher Carlson? Would they</p> <p>16 have a copy of those reports?</p> <p>17 <b>A Probably.</b></p> <p>18 Q What was Beecher -- can I just say</p> <p>19 Beecher?</p> <p>20 <b>A You can.</b></p> <p>21 Q What was Beecher's role with respect to</p> <p>22 Sentinel?</p> <p>23 <b>A Beecher was the insurance manager and also</b></p> <p>24 <b>as part of that function, they would prepare</b></p> <p>25 <b>financial statements, facilitated expenses being</b></p>	<p>1 MS. TOMKOWIAK: I am handing the court</p> <p>2 reporter what we will mark as Exhibit 76.</p> <p>3 (Deposition Exhibit 76 marked for</p> <p>4 identification.)</p> <p>5 BY MS. TOMKOWIAK:</p> <p>6 Q Mr. DiOrio, can you take a look at</p> <p>7 Exhibit 76 and take a few minutes if you'd like</p> <p>8 and then let me know when you're ready.</p> <p>9 MS. SMITH: I would just like to raise one</p> <p>10 objection, that the account number is not redacted</p> <p>11 on here. So before this goes into the record, I</p> <p>12 want to make sure that account number gets</p> <p>13 redacted except for the last four digits.</p> <p>14 MS. TOMKOWIAK: We can do that, Counsel.</p> <p>15 <b>A Are there -- should there be other pages I</b></p> <p>16 <b>need to see on this or is it's -- it's 4 of 5.</b></p> <p>17 <b>That's the reason I asked.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Okay. Well, yeah, we can -- we can get</p> <p>20 into that. Have you had a chance to look it over?</p> <p>21 This is the only page that I have.</p> <p>22 <b>A Oh, okay. I was just reading at the top</b></p> <p>23 <b>that it's 4 of 5. That's the only reason I'm</b></p> <p>24 <b>asking.</b></p> <p>25 Q That's a fair question.</p>



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<p>93</p> <p>1 <b>A Give me one more second. Sorry.</b></p> <p>2 Q No worries.</p> <p>3 (Witness reviews document.)</p> <p>4 <b>A Okay.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q Mr. DiOrio, have you seen this document</p> <p>7 before?</p> <p>8 MS. SMITH: Objection. This is not the</p> <p>9 complete document. It's pages 4 of 5.</p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Okay. Have you seen this document before?</p> <p>12 <b>A I don't believe I've seen this page</b></p> <p>13 <b>before, no.</b></p> <p>14 Q Do you know why it was found on your desk</p> <p>15 at Highland earlier this year?</p> <p>16 <b>A I have no idea.</b></p> <p>17 Q No idea. So to your knowledge, you</p> <p>18 have -- you did not have a copy of Mr. Ellington's</p> <p>19 private bank interest checking account statement?</p> <p>20 MS. SMITH: Objection, form.</p> <p>21 <b>A If it was on my desk -- I genuinely have</b></p> <p>22 <b>no recollection of ever seeing this.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q Did you ever receive checking statements</p> <p>25 from Mr. Ellington?</p>	<p>95</p> <p>1 <b>checking account.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Did you ever receive payments from SAS</p> <p>4 Asset Recovery Ltd.?</p> <p>5 <b>A I don't believe so.</b></p> <p>6 Q You don't believe so?</p> <p>7 <b>A No. I don't believe I did, no.</b></p> <p>8 Q Who else had access to your desk at</p> <p>9 Highland?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 <b>A To my physical desk?</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q Uh-huh.</p> <p>14 <b>A I mean, it's an open floor plan. Nothing</b></p> <p>15 <b>was locked up, but I generally think that no one</b></p> <p>16 <b>bothered with it.</b></p> <p>17 Q Okay. You can set that aside.</p> <p>18 What's your general understanding of the</p> <p>19 litigation between Highland and UBS that -- in</p> <p>20 New York State court?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 <b>A I understand it's about a decade's old</b></p> <p>23 <b>dispute about some sort of warehouse facility, but</b></p> <p>24 <b>that's about all I know.</b></p> <p>25</p>
<p>94</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 <b>A I don't recall ever seeing his personal</b></p> <p>3 <b>checking, no.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q In any of the work that you did for</p> <p>6 Mr. Ellington in his personal capacity, would you</p> <p>7 have had reason to look at his personal checking</p> <p>8 account?</p> <p>9 <b>A No.</b></p> <p>10 Q If you look at this statement, you'll see</p> <p>11 that on October 3rd, October 16th and</p> <p>12 October 24th, there are what look to be payments</p> <p>13 from SAS Asset Recovery Ltd. Do you see that?</p> <p>14 <b>A I see them, yes.</b></p> <p>15 Q Do you have any knowledge of why</p> <p>16 Mr. Ellington would be receiving payments from SAS</p> <p>17 Asset Recovery?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 <b>A I don't.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Did you know that Mr. Ellington received</p> <p>22 hundreds of thousands of dollars from SAS Asset</p> <p>23 Recovery?</p> <p>24 MS. SMITH: Objection, form.</p> <p>25 <b>A Again, I don't have access to his personal</b></p>	<p>96</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q When did you first obtain that</p> <p>3 understanding?</p> <p>4 <b>A Probably around the time I came on to</b></p> <p>5 <b>the -- sometime after I came on to the board at</b></p> <p>6 <b>Sentinel -- or was appointed director, excuse me.</b></p> <p>7 Q So sometime around September 2017?</p> <p>8 <b>A Probably after that.</b></p> <p>9 Q Is there any formal piece of paper</p> <p>10 appointing you to the board of Sentinel?</p> <p>11 <b>A There would be. I don't have one. But if</b></p> <p>12 <b>I remember correctly, there was a letter issued by</b></p> <p>13 <b>CIMA just confirming that the appointment was</b></p> <p>14 <b>accepted.</b></p> <p>15 Q Do you know who would have a copy of that?</p> <p>16 <b>A Probably Carey Olsen.</b></p> <p>17 Q How did you come to have that</p> <p>18 understanding of the UBS litigation?</p> <p>19 <b>A I don't recall specifically, but I think</b></p> <p>20 <b>once I kind of figured out what I had to do as a</b></p> <p>21 <b>director and I knew that the policy was in place,</b></p> <p>22 <b>I said what's the underlying issue, but it was --</b></p> <p>23 <b>I tried reading it once, but honestly it was a</b></p> <p>24 <b>little above my head.</b></p> <p>25 Q You tried reading what?</p>

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<p>97</p> <p>1 <b>A Some court document at some point. I</b>  2 <b>don't know if it was a complaint or what, but I</b>  3 <b>didn't make it all the way through.</b>  4 Q And you said that you knew a policy was in  5 place. So you're referring to the policy that  6 Sentinel had issued to cover legal liability to  7 UBS in connection with that litigation?  8 MS. SMITH: Objection, form.  9 <b>A Yes.</b>  10 <b>BY MS. TOMKOWIAK:</b>  11 Q Are you aware there was a trial in that  12 matter in July of 2018?  13 <b>A Yes.</b>  14 Q And did you ever hear anybody in the legal  15 department at Highland express a view as to  16 whether UBS was likely to prevail in that case?  17 <b>A Not that I recall.</b>  18 Q Did you ever form a view?  19 <b>A Again, it was a little above my head. I</b>  20 <b>had no idea.</b>  21 Q Did you hear the legal people discussing  22 that case in the legal department?  23 <b>A Not specifically with me, but it's an open</b>  24 <b>floor plan. Isaac talks on the phone a lot to</b>  25 <b>lawyers, so I'm sure I heard something.</b></p>	<p>99</p> <p>1 <b>please?</b>  2 <b>BY MS. TOMKOWIAK:</b>  3 Q Were you aware that the defendants in that  4 case were potentially going to be liable for over  5 a billion dollars?  6 MS. SMITH: Objection, form.  7 <b>A Was I aware when?</b>  8 <b>BY MS. TOMKOWIAK:</b>  9 Q When -- at any point in time.  10 MS. SMITH: Objection, form.  11 <b>A I came to learn that.</b>  12 <b>BY MS. TOMKOWIAK:</b>  13 Q When did you come to learn that?  14 <b>A I think at some -- after the Phase 1 trial</b>  15 <b>was over.</b>  16 Q So just to pin that down, was it after the  17 trial or after the judgment?  18 <b>A I don't recall.</b>  19 Q So did you recall hearing before UBS won a  20 \$1 billion, approximate, judgment, that they might  21 be liable, that the defendants in that case might  22 be liable for a billion dollars?  23 MS. SMITH: Objection, form.  24 <b>A I can't say. I don't recall when, if it</b>  25 <b>was before or after.</b></p>
<p>98</p> <p>1 Q Were you aware that the defendants in that  2 case were potentially going to be liable for over  3 a billion dollars?  4 MS. SMITH: Objection, form.  5 And be careful here. Don't disclose any  6 privileged information.  7 MS. TOMKOWIAK: Well, do you mean that he  8 learned from any of Highland's lawyers?  9 MS. SMITH: I guess I need to go on the  10 record with my normal agreement with  11 Mr. Feinstein, that Mr. DiOrio can answer  12 questions regarding what lawyers at Highland or  13 outside counsel may or may not have told him in  14 his capacity at Highland without waiving  15 privilege.  16 MR. FEINSTEIN: I don't know if we have an  17 agreement, but certainly if I find that there's a  18 question as to which we want to assert  19 attorney-client privilege, you will hear me  20 object. I did not object to the last question so  21 the witness can answer.  22 MS. SMITH: Just wanted to make sure the  23 rules apply to all the deposition -- each  24 deposition individually.  25 <b>A Would you mind restating the question,</b></p>	<p>100</p> <p>1 <b>BY MS. TOMKOWIAK:</b>  2 Q Okay. So when you first joined the board  3 of Sentinel, did you ask anybody what the  4 potential liability to UBS was?  5 <b>A Possibly.</b>  6 Q You just don't recall?  7 <b>A I don't specifically recall. I don't</b>  8 <b>recall that conversation specifically.</b>  9 Q And you didn't think that that was  10 relative to your -- to the policy?  11 MS. SMITH: Objection, form.  12 <b>A The policy had a limit, so I think the</b>  13 <b>understanding was that the -- that was the most</b>  14 <b>the company would have to pay under the -- you</b>  15 <b>know, if the policy satisfied whatever.</b>  16 <b>BY MS. TOMKOWIAK:</b>  17 Q Do you recall what the policy limit was?  18 <b>A The policy limit's \$91 million.</b>  19 Q You believe it was \$91 million?  20 <b>A Yes.</b>  21 Q And do you recall anybody forming a view  22 at any -- strike that.  23 Do you recall anybody expressing a view at  24 any point in time that the defendant's potential  25 liability in the case would be greater than</p>

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<p>101</p> <p>1 \$100 million?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 <b>A I don't recall.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Did you ask anybody whether Sentinel, the</p> <p>6 company that you were a director of, was likely to</p> <p>7 be on the hook for \$91 million?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 <b>A Well, I think by issuing the policy, the</b></p> <p>10 <b>company was potentially on the hook for</b></p> <p>11 <b>\$91 million. So my assumption was any judgment</b></p> <p>12 <b>could probably be above that, yeah. But I just</b></p> <p>13 <b>don't remember specific -- I don't remember the</b></p> <p>14 <b>billion dollar number until I heard the billion</b></p> <p>15 <b>dollar number after the -- around the first</b></p> <p>16 <b>judgment or the trial or whatever it was.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q Okay. But you believed as -- you believed</p> <p>19 that Sentinel was -- would potentially pay out up</p> <p>20 to \$91 million to UBS?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A That's correct.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q Do you know whether anyone at Highland put</p> <p>25 together any analysis of potential damages to UBS?</p>	<p>103</p> <p>1 <b>A I don't remember if he was there or</b></p> <p>2 <b>Beecher -- sorry. I remember being involved with</b></p> <p>3 <b>speaking to him. I don't know if he was hired to</b></p> <p>4 <b>do anything prior to my being appointed on the</b></p> <p>5 <b>board. Does that make sense?</b></p> <p>6 Q It does.</p> <p>7 <b>A Sorry.</b></p> <p>8 Q Do you know whether anybody at Highland</p> <p>9 was given the opportunity to review the analysis</p> <p>10 that you received from Mr. Stubbs?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 <b>A It would be in kind of an annual meeting.</b></p> <p>13 <b>Isaac Leventon and myself and Beecher Carlson</b></p> <p>14 <b>would get on the phone with Mr. Stubbs, and Isaac</b></p> <p>15 <b>would talk about the potential outcomes, give him</b></p> <p>16 <b>basically the in-house lawyer's view of the case</b></p> <p>17 <b>and then he would do whatever actuaries do from</b></p> <p>18 <b>there.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q Were you the only director that</p> <p>21 participated in those phone calls?</p> <p>22 <b>A Yes.</b></p> <p>23 Q Why?</p> <p>24 <b>A The other two independent directors</b></p> <p>25 <b>weren't day to day. They would see the result and</b></p>
<p>102</p> <p>1 <b>A Not specifically.</b></p> <p>2 Q In your capacity as a director of</p> <p>3 Sentinel, did you ask for any of that type of</p> <p>4 analysis?</p> <p>5 <b>A Any settlement analysis?</b></p> <p>6 Q Any damages analysis.</p> <p>7 <b>A Damages analysis. No. I don't recall</b></p> <p>8 <b>doing that.</b></p> <p>9 Q Did you ask for any settlement analysis?</p> <p>10 <b>A We came to -- one was kind of provided at</b></p> <p>11 <b>the end of each year by working with an actuary.</b></p> <p>12 <b>They would kind of fill out a table, basically --</b></p> <p>13 <b>an actuarial table to see probabilities of, you</b></p> <p>14 <b>know, multiple outcomes.</b></p> <p>15 Q Who was the actuary?</p> <p>16 <b>A His name was Jason Stubbs, I believe.</b></p> <p>17 Q Who hired him?</p> <p>18 <b>A He would have been a referral from Beecher</b></p> <p>19 <b>Carlson, I believe.</b></p> <p>20 Q When you joined Sentinel as a director,</p> <p>21 had he already been hired?</p> <p>22 <b>A I don't know if he had done any work in</b></p> <p>23 <b>the past on Sentinel's prior business. I don't</b></p> <p>24 <b>know.</b></p> <p>25 Q You weren't involved in hiring him?</p>	<p>104</p> <p>1 <b>have the rights to -- or the ability to set a new</b></p> <p>2 <b>meeting and follow up if they had questions,</b></p> <p>3 <b>but...</b></p> <p>4 Q You weren't an independent director,</p> <p>5 right?</p> <p>6 <b>A I guess not.</b></p> <p>7 MS. SMITH: Objection, form. Sorry.</p> <p>8 Objection, form. I wasn't quick enough there.</p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Did anybody ever tell you that you were</p> <p>11 not an independent director?</p> <p>12 <b>A No.</b></p> <p>13 Q So you just came to that conclusion</p> <p>14 yourself?</p> <p>15 <b>A I don't know the specific -- the</b></p> <p>16 <b>classification, if I was classified as an</b></p> <p>17 <b>independent director, director, managing director.</b></p> <p>18 <b>I never thought of it.</b></p> <p>19 Q Okay. Because you mentioned the other</p> <p>20 independent directors, and so I didn't know if you</p> <p>21 were drawing a distinction between them as</p> <p>22 independent directors and you as an inside</p> <p>23 director?</p> <p>24 <b>A The reason I say that is because they're</b></p> <p>25 <b>professional directors, that's their job and</b></p>

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<p>105</p> <p>1 they're just referred to as independent directors.</p> <p>2 For example, the guy on our board could serve on a</p> <p>3 hundred boards. They don't do day-to-day</p> <p>4 generally type stuff. So they're just referred to</p> <p>5 as independent directors.</p> <p>6 Q Was this the first board that you had ever</p> <p>7 served on?</p> <p>8 A I believe so.</p> <p>9 Q Do you know why you were asked to serve on</p> <p>10 the Sentinel board?</p> <p>11 A Not particularly.</p> <p>12 Q Did you have any experience with insurance</p> <p>13 prior to serving on the Sentinel board?</p> <p>14 A No, I don't. I didn't.</p> <p>15 Q So you said that you were aware that there</p> <p>16 was a trial in the UBS litigation in July 2018,</p> <p>17 correct?</p> <p>18 A Correct.</p> <p>19 Q And then at some point in time, you became</p> <p>20 aware that UBS won a \$1 billion judgment against</p> <p>21 the Highland funds in that matter?</p> <p>22 A Yes.</p> <p>23 Q Okay. And you don't know exactly when you</p> <p>24 became aware of that?</p> <p>25 A I can't say for certain.</p>	<p>107</p> <p>1 A No, not -- at what point in time?</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q Prior to the bankruptcy.</p> <p>4 A No.</p> <p>5 Q What about prior to your termination from</p> <p>6 Highland?</p> <p>7 MS. SMITH: Objection, form.</p> <p>8 A I don't believe so.</p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q Did that surprise you?</p> <p>11 A That a claim was not made?</p> <p>12 Q Yeah.</p> <p>13 A Not particularly.</p> <p>14 Q Why not?</p> <p>15 A It was my understanding that there was</p> <p>16 still a Phase 2 to the trial, so -- and I thought</p> <p>17 everything had been kind of stayed, due to the</p> <p>18 bankruptcy, so it seemed like it was just in a</p> <p>19 holding pattern to me.</p> <p>20 Q Did you expect a claim to be made on the</p> <p>21 policy in the future?</p> <p>22 A At some point.</p> <p>23 Q Did you discuss that possibility with the</p> <p>24 other Sentinel directors?</p> <p>25 A Yeah. They were aware of it.</p>
<p>106</p> <p>1 Q Was it prior to Highland going into</p> <p>2 bankruptcy?</p> <p>3 A Probably.</p> <p>4 Q How did you become aware of that judgment?</p> <p>5 A I genuinely don't know. I don't remember.</p> <p>6 Q Did somebody at Highland tell you?</p> <p>7 A Probably. Of the judgment?</p> <p>8 Q Uh-huh.</p> <p>9 A Yeah, probably.</p> <p>10 Q But you just don't recall who?</p> <p>11 A It may have come up during the actuary</p> <p>12 meeting, you know, that would have happened in</p> <p>13 Decemberish of that year, or '19, I guess. So</p> <p>14 probably around that time I think is a safe bet.</p> <p>15 Q Were your auditors aware of the</p> <p>16 judgment -- I'm sorry, let me be specific. Were</p> <p>17 Sentinel's auditors aware of that judgment?</p> <p>18 A Yes.</p> <p>19 Q Did you make them aware?</p> <p>20 A I don't know if it was myself or Beecher</p> <p>21 Carlson, but they would have been made aware</p> <p>22 during the audit process.</p> <p>23 Q And did the insureds make a claim on the</p> <p>24 policy after that judgment was entered?</p> <p>25 MS. SMITH: Objection, form.</p>	<p>108</p> <p>1 MS. SMITH: Objection. Don't get into</p> <p>2 privileged conversations with the other directors.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Okay. I mean, did -- how were they aware</p> <p>5 of it?</p> <p>6 A I believe I would have told them once I</p> <p>7 became aware of it.</p> <p>8 Q Okay. To your knowledge, did Mr. Dondero</p> <p>9 or Mr. Ellington make any investment in Sentinel?</p> <p>10 MS. SMITH: Objection, form.</p> <p>11 A Can you repeat the question? I'm sorry.</p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q To your knowledge, did -- let's break them</p> <p>14 up. Did Mr. Dondero make any investment in</p> <p>15 Sentinel?</p> <p>16 A I don't know specifically. When the</p> <p>17 company started up, it had -- I assume it was</p> <p>18 capitalized in some form or fashion, but I don't</p> <p>19 know who or how.</p> <p>20 Q Same question for Mr. Ellington. Do you</p> <p>21 know if he made any capital contribution to</p> <p>22 Sentinel?</p> <p>23 A It would be the same answer. I don't</p> <p>24 know.</p> <p>25 Q You assume that he did?</p>

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<p>109</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 <b>A Do I assume that Mr. Ellington did?</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Yes.</p> <p>5 <b>A I don't know.</b></p> <p>6 Q You don't know.</p> <p>7 MS. TOMKOWIAK: I am handing the court</p> <p>8 reporter what we will mark as Exhibit 77.</p> <p>9 (Deposition Exhibit 77 marked for</p> <p>10 identification.)</p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Take a couple of minutes to look at that</p> <p>13 as well and let me know when you're ready.</p> <p>14 (Witness reviews document.)</p> <p>15 BY MS. TOMKOWIAK:</p> <p>16 Q Have you seen this document before?</p> <p>17 <b>A Yes.</b></p> <p>18 Q When have you seen it?</p> <p>19 <b>A I mean, probably around the time it was</b></p> <p>20 <b>issued.</b></p> <p>21 Q And why did you see it?</p> <p>22 <b>A This was prepared as part of our</b></p> <p>23 <b>contemplated bank application that I mentioned</b></p> <p>24 <b>earlier. Part of the process is the person who</b></p> <p>25 <b>would ultimately own the bank license needed to</b></p>	<p>111</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q Understood. But thinking about it now,</p> <p>3 would it possibly have been part of that same bank</p> <p>4 application?</p> <p>5 <b>A Possibly.</b></p> <p>6 Q And if you look at this statement of</p> <p>7 assets, do you see the line where it says</p> <p>8 investment in Sentinel Reinsurance Ltd.?</p> <p>9 <b>A Yes.</b></p> <p>10 Q And it says 11,803,954?</p> <p>11 <b>A Uh-huh.</b></p> <p>12 Q Were you aware at the time that you</p> <p>13 received this statement that Mr. Ellington had a</p> <p>14 \$11.8 million investment in Sentinel?</p> <p>15 <b>A If I remember correctly -- are you</b></p> <p>16 <b>characterizing investment as cash invested in the</b></p> <p>17 <b>business or just -- how are you characterizing --</b></p> <p>18 <b>or how should I characterize investment here?</b></p> <p>19 Q Well, all I have to go by is this line,</p> <p>20 investment in Sentinel reinsurance. So do you</p> <p>21 know how he invested \$11.8 million in Sentinel?</p> <p>22 <b>A If I remember correctly, it would have</b></p> <p>23 <b>been not capital contributed, but whatever the</b></p> <p>24 <b>shareholder equity line was on the balance sheet,</b></p> <p>25 <b>it would have been some percentage of that, not --</b></p>
<p>110</p> <p>1 <b>provide, among other things, a statement of net</b></p> <p>2 <b>worth.</b></p> <p>3 Q And so to your recollection, Mr. Ellington</p> <p>4 provided this to you in connection with that bank</p> <p>5 application?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 <b>A He provided this statement to me?</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q Yes.</p> <p>10 <b>A I believe I provided -- gathered some of</b></p> <p>11 <b>this info, sent it to the accounting firm and they</b></p> <p>12 <b>would have sent it back.</b></p> <p>13 Q Okay. So if -- do you believe that's why</p> <p>14 this document would have -- was also on your desk</p> <p>15 at Highland?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 <b>A Probably.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Does that refresh your mind at all as to</p> <p>20 whether Mr. -- as to why you also had a copy of</p> <p>21 Mr. Ellington's personal checking account</p> <p>22 statement?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 <b>A That seems to track. I just don't</b></p> <p>25 <b>remember seeing that particular --</b></p>	<p>112</p> <p>1 <b>not he invested \$11.8 million. Does that make</b></p> <p>2 <b>sense?</b></p> <p>3 Q To my lawyer brain, slightly. So you're</p> <p>4 saying that Mr. Ellington -- again, I'm not an</p> <p>5 accounting expert, but I think the distinction</p> <p>6 you're trying to make is that Mr. Ellington did</p> <p>7 not contribute \$11.8 million of cash to Sentinel;</p> <p>8 is that right?</p> <p>9 <b>A That's my understanding. I don't know if</b></p> <p>10 <b>he ever contributed a dollar, a million dollars, I</b></p> <p>11 <b>don't know. But that's how this number would have</b></p> <p>12 <b>been calculated.</b></p> <p>13 Q Okay. But you knew -- when were you</p> <p>14 putting together the application for this bank?</p> <p>15 <b>A During, I think, 2018, prior to October.</b></p> <p>16 Q Okay. So you at least knew at that time</p> <p>17 that Mr. Ellington had some financial interest in</p> <p>18 Sentinel?</p> <p>19 <b>A That was my understanding.</b></p> <p>20 Q And if I understood you correctly, some</p> <p>21 type of equity in Sentinel?</p> <p>22 <b>A Yes.</b></p> <p>23 Q As a shareholder?</p> <p>24 MS. SMITH: Objection, form.</p> <p>25 <b>A Again, I don't know if it's in a</b></p>

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<p>113</p> <p>1 shareholder or in a personal capacity. I don't</p> <p>2 know.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q You just mentioned the shareholder equity</p> <p>5 line of the balance sheet is why I asked.</p> <p>6 A Right. But I don't know -- yes. Sorry.</p> <p>7 Yes, as a shareholder.</p> <p>8 Q Okay. Did you actually -- and by you, I</p> <p>9 don't mean you personally, but you said -- you</p> <p>10 said you didn't know why your application for the</p> <p>11 bank was not approved. Is that a fair</p> <p>12 characterization of your testimony?</p> <p>13 A That's not what I said.</p> <p>14 Q Yeah, what did you say?</p> <p>15 A I don't know why the project didn't move</p> <p>16 forward.</p> <p>17 Q Do you know whether an application was</p> <p>18 made?</p> <p>19 A I don't know.</p> <p>20 Q So you compiled this information, but you</p> <p>21 don't recall if you ever actually submitted it to</p> <p>22 anyone?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 A I didn't personally submit it to anyone.</p> <p>25</p>	<p>115</p> <p>1 one.</p> <p>2 MS. HARTMANN: That's okay. Shannon</p> <p>3 already gave me that yesterday.</p> <p>4 THE WITNESS: Can I start reviewing?</p> <p>5 MS. SMITH: Yeah.</p> <p>6 BY MS. TOMKOWIAK:</p> <p>7 Q Yeah, please do.</p> <p>8 (Witness reviews document.)</p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q Let me know when you're ready. Take your</p> <p>11 time.</p> <p>12 A Is it best if I review the whole thing or</p> <p>13 specific pages?</p> <p>14 Q Well, my first question is have you ever</p> <p>15 seen this document before?</p> <p>16 A I have not.</p> <p>17 MS. SMITH: You need to review the whole</p> <p>18 thing.</p> <p>19 THE WITNESS: Okay.</p> <p>20 A I have not.</p> <p>21 BY MS. TOMKOWIAK:</p> <p>22 Q As a general matter today, you can take</p> <p>23 the time that you need to review documents as much</p> <p>24 or as -- all of them as you would like. If</p> <p>25 they're very lengthy, I will direct you to</p>
<p>114</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q And you don't personally know if somebody</p> <p>3 else submitted it to anyone?</p> <p>4 A Right. I can't be sure.</p> <p>5 Q You don't recall discussing with</p> <p>6 Mr. Ellington whether or not he was -- he had</p> <p>7 submitted the information to anyone?</p> <p>8 A There were a few items that he was</p> <p>9 responsible for collecting, personal</p> <p>10 recommendations, again, it was part of the</p> <p>11 application process, and we passed everything off</p> <p>12 to him and from there, I don't know.</p> <p>13 Q So you don't know if he submitted the</p> <p>14 application and it was denied?</p> <p>15 A I don't know --</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 A I don't know that.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q I am handing you what has been previously</p> <p>20 marked as Exhibit 48.</p> <p>21 MS. TOMKOWIAK: Counsel, do you have your</p> <p>22 copies?</p> <p>23 MS. HARTMANN: If you have one more, we'd</p> <p>24 appreciate it. Actually, we can share.</p> <p>25 MS. TOMKOWIAK: Let me see if we can find</p>	<p>116</p> <p>1 specific pages, but if you need to read more of</p> <p>2 the document to answer the question, just let me</p> <p>3 know.</p> <p>4 A Okay. Fair. Thank you.</p> <p>5 (Witness reviews document.)</p> <p>6 A Okay.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q Have you ever seen this document before?</p> <p>9 A I have not.</p> <p>10 Q Do you know why a copy of it was found on</p> <p>11 your desk at Highland?</p> <p>12 A I do not.</p> <p>13 Q Do you know whether people were in the</p> <p>14 business of randomly placing documents on your</p> <p>15 desk at Highland?</p> <p>16 MS. SMITH: Objection, form.</p> <p>17 A I don't.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Did you share your desk with anyone at</p> <p>20 Highland?</p> <p>21 MS. SMITH: Objection, form.</p> <p>22 A I shared a file cabinet space with JP</p> <p>23 because we sat next to each other, but not my</p> <p>24 desk.</p> <p>25</p>

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<p>117</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Are you familiar at all with the</p> <p>3 settlement analysis set forth in this document,</p> <p>4 despite the fact that you haven't seen the</p> <p>5 document itself before?</p> <p>6 A <b>Not this detailed, but I think I have a</b></p> <p>7 <b>general understanding of what a settlement would</b></p> <p>8 <b>have looked like.</b></p> <p>9 Q What is that -- where did that general</p> <p>10 understanding come from?</p> <p>11 A <b>It was part of the actuarial table that we</b></p> <p>12 <b>would see at the end of the year. Settlement, I</b></p> <p>13 <b>think was a possibility, one of the potential</b></p> <p>14 <b>outcomes.</b></p> <p>15 Q So if you could go turn to page Bates</p> <p>16 ending in 5311. I'm sorry, when I say Bates</p> <p>17 number, do you know what I mean?</p> <p>18 A <b>I don't. I apologize.</b></p> <p>19 Q That's okay. That lengthy number at the</p> <p>20 bottom.</p> <p>21 A <b>Yeah.</b></p> <p>22 Q It's Slide 8, Bates number ending 5311.</p> <p>23 It's just a lawyer term for how we stamp the</p> <p>24 documents.</p> <p>25 A <b>Got it.</b></p>	<p>119</p> <p>1 <b>defend themselves through the length of whatever</b></p> <p>2 <b>potential future litigation was on the horizon.</b></p> <p>3 Q Okay. And that the funds might not have</p> <p>4 enough money to cover the potential damages to</p> <p>5 UBS?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 A <b>I think so. I'm not entirely sure. Could</b></p> <p>8 <b>you repeat? Sorry.</b></p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q Sure. That the funds might not have</p> <p>11 enough money to cover their potential damages to</p> <p>12 UBS?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 A <b>Right, yes. And I believe that's the</b></p> <p>15 <b>purpose of the policy.</b></p> <p>16 BY MS. TOMKOWIAK:</p> <p>17 Q Okay. If you look at the last page of</p> <p>18 this presentation, does the list of assets here in</p> <p>19 Appendix 1 look familiar to you?</p> <p>20 A <b>Some, yeah. Most.</b></p> <p>21 Q How are you familiar with these?</p> <p>22 A <b>This looks like a list of assets used to</b></p> <p>23 <b>pay for the ATE policy.</b></p> <p>24 Q When did you come to learn that there</p> <p>25 was -- that these assets were used to pay for the</p>
<p>118</p> <p>1 Q Appreciating that you've never seen this</p> <p>2 document, have you ever seen a summary of how --</p> <p>3 of the structure of a settlement with UBS like</p> <p>4 this?</p> <p>5 A <b>Not like this, no. Like I said, my</b></p> <p>6 <b>understanding was just generally settle for X or Y</b></p> <p>7 <b>or Z or for whatever.</b></p> <p>8 Q So at the time you became a director of</p> <p>9 Sentinel, did you understand that the Sentinel</p> <p>10 policy was one step in a potential settlement</p> <p>11 structure with UBS?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 A <b>I didn't understand -- I don't think so.</b></p> <p>14 BY MS. TOMKOWIAK:</p> <p>15 Q Did anybody convey to you that the policy</p> <p>16 had been purchased from Sentinel in order to</p> <p>17 facilitate a settlement with UBS?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 A <b>My understanding was the policy was</b></p> <p>20 <b>purchased because the funds couldn't afford to</b></p> <p>21 <b>defend themselves or -- long term or something</b></p> <p>22 <b>like that.</b></p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q What do you mean by something like that?</p> <p>25 A <b>That the funds may not have been able to</b></p>	<p>120</p> <p>1 ATE policy?</p> <p>2 A <b>At some point after I was appointed as</b></p> <p>3 <b>director.</b></p> <p>4 Q Who would be able to tell me whether</p> <p>5 Sentinel owns each of these assets today?</p> <p>6 A <b>I would be able to.</b></p> <p>7 Q You would?</p> <p>8 A <b>Uh-huh.</b></p> <p>9 Q Okay.</p> <p>10 A <b>Not -- the ones I'm familiar with. Sorry.</b></p> <p>11 <b>Some of these I've never seen before.</b></p> <p>12 Q Okay. Are you able to -- I can go one by</p> <p>13 one, or can you identify on this list which of</p> <p>14 these assets you believe Sentinel still owns</p> <p>15 today?</p> <p>16 A <b>Yes. Here, let's try to -- I'll tell you</b></p> <p>17 <b>the ones --</b></p> <p>18 MS. SMITH: You can use that if you need</p> <p>19 to.</p> <p>20 THE WITNESS: Thank you.</p> <p>21 A <b>And again, I can't give you a blanket</b></p> <p>22 <b>answer because I don't -- some of these I've never</b></p> <p>23 <b>seen. They may be known as something else or</b></p> <p>24 <b>whatever, but I --</b></p> <p>25</p>

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<p>121</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q I understand.</p> <p>3 <b>A Maybe it's best to go one by one. I don't</b></p> <p>4 <b>want to draw this out, but I can't give you a good</b></p> <p>5 <b>answer.</b></p> <p>6 Q Okay. How about -- well, I have another</p> <p>7 list that looks similar to this and I think it</p> <p>8 would be better for us to use that list to go</p> <p>9 through that analysis, so let's do it --</p> <p>10 <b>A Okay.</b></p> <p>11 Q -- in a little bit. Okay. You can set</p> <p>12 that aside.</p> <p>13 I'm handing you what has been previously</p> <p>14 marked in this case as Exhibit 26.</p> <p>15 MS. TOMKOWIAK: Do you have that?</p> <p>16 MS. SMITH: I do.</p> <p>17 MS. TOMKOWIAK: It is the beneficial owner</p> <p>18 chart we have been looking at with the Social</p> <p>19 Security names redacted -- numbers redacted.</p> <p>20 MS. SMITH: Oh, that one page?</p> <p>21 MS. TOMKOWIAK: Yeah.</p> <p>22 BY MS. TOMKOWIAK:</p> <p>23 Q Mr. DiOrio, have you ever seen this</p> <p>24 before?</p> <p>25 <b>A This particular document, no.</b></p>	<p>123</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 <b>A I don't believe so. I don't know.</b></p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q And did you hear at any point in time that</p> <p>5 Mr. Ellington was the sole owner of Nimitz?</p> <p>6 MS. SMITH: Objection, form.</p> <p>7 <b>A I don't recall. I know it seems like it</b></p> <p>8 <b>says that here, but I don't recall hearing one way</b></p> <p>9 <b>or the other.</b></p> <p>10 BY MS. TOMKOWIAK:</p> <p>11 Q So you recall hearing about Patten and</p> <p>12 Nimitz, but you didn't ask any questions about who</p> <p>13 owned those two entities?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 <b>A Correct. As I remember, it would have</b></p> <p>16 <b>been more like a PowerPoint-type org chart and I</b></p> <p>17 <b>think these were one layer on a long, larger</b></p> <p>18 <b>structure is my understanding. So I didn't</b></p> <p>19 <b>specifically ask about who owned which of these.</b></p> <p>20 BY MS. TOMKOWIAK:</p> <p>21 Q I think you said you had a general</p> <p>22 knowledge that Mr. Ellington owned Sentinel in</p> <p>23 some way; is that right?</p> <p>24 <b>A Uh-huh.</b></p> <p>25 Q And you didn't ask which of these entities</p>
<p>122</p> <p>1 Q Have you ever seen a document that sets</p> <p>2 forth the structure of Sentinel like this?</p> <p>3 <b>A Not like this.</b></p> <p>4 Q So at any -- at no point in time during</p> <p>5 the time that you were a director of Sentinel did</p> <p>6 you know that Sentinel was owned 70/30 by entities</p> <p>7 called Patten and Nimitz?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 <b>A I had a general understanding, again, of</b></p> <p>10 <b>the split, 70/30 split, I guess, but I've heard</b></p> <p>11 <b>the names Patten and Nimitz, but I don't -- I</b></p> <p>12 <b>can't -- other than that, I can't really speak to</b></p> <p>13 <b>it.</b></p> <p>14 BY MS. TOMKOWIAK:</p> <p>15 Q And you had that general understanding at</p> <p>16 some point in time while you were a director of</p> <p>17 Sentinel?</p> <p>18 <b>A I believe so.</b></p> <p>19 Q And you said that you had heard of Patten</p> <p>20 and Nimitz. Who did you hear that from?</p> <p>21 <b>A I had heard the names and I'm sure at some</b></p> <p>22 <b>point if it was on an org chart -- I've never seen</b></p> <p>23 <b>it laid out like this, is what I was getting at.</b></p> <p>24 Q And did you hear at some point in time</p> <p>25 that Mr. Dondero owned Patten?</p>	<p>124</p> <p>1 related to Mr. Ellington?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 <b>A Probably not.</b></p> <p>4 BY MS. TOMKOWIAK:</p> <p>5 Q Did you consider Sentinel to be affiliated</p> <p>6 with Highland?</p> <p>7 MS. SMITH: Objection, form.</p> <p>8 <b>A I believe -- no, I believed it was not</b></p> <p>9 <b>affiliated direct -- with HCMLP?</b></p> <p>10 BY MS. TOMKOWIAK:</p> <p>11 Q Yes.</p> <p>12 <b>A Yeah. I believed it was not affiliated.</b></p> <p>13 Q What was the basis for that belief?</p> <p>14 <b>A That it was a separate stand-alone</b></p> <p>15 <b>business based in Cayman. Now, I don't know the</b></p> <p>16 <b>legal definition of -- if there's a legal lawyer</b></p> <p>17 <b>term for affiliate or not affiliate, that's going</b></p> <p>18 <b>to be beyond me.</b></p> <p>19 Q Okay. Did anybody ever tell you that</p> <p>20 Sentinel and Highland were not affiliated?</p> <p>21 <b>A Yes, I believe at some point I was told</b></p> <p>22 <b>that.</b></p> <p>23 Q When were you told that?</p> <p>24 <b>A At some point while I was a director. I</b></p> <p>25 <b>don't remember specifically when, but obviously</b></p>



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<p>125</p> <p>1 after my involvement with Sentinel.</p> <p>2 Q Who told you that?</p> <p>3 A I think it was -- I don't remember who</p> <p>4 specifically said that, but Sentinel showed up on</p> <p>5 a list in compliance of affiliates for owning one</p> <p>6 of the assets that was on its balance sheet and I</p> <p>7 remember there was a big to-do about someone made</p> <p>8 a mistake and it was not an affiliate.</p> <p>9 Q What was the big to-do?</p> <p>10 A Again, I don't understand it. It was to</p> <p>11 get it -- make sure it was classified as a</p> <p>12 nonaffiliate as it always had been. Someone</p> <p>13 changed it at some point on a spreadsheet, the</p> <p>14 classification, as I understand it.</p> <p>15 Q Why was it a big deal if it was classified</p> <p>16 as an affiliate entity?</p> <p>17 A That, I don't know.</p> <p>18 Q What efforts did you make to separate out</p> <p>19 the work that you were doing in your capacity as a</p> <p>20 director for Sentinel from the work that you were</p> <p>21 doing in your capacity as a Highland employee?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 A They didn't -- the work I did for Highland</p> <p>24 and the work I did for Sentinel didn't really</p> <p>25 overlap, in my opinion. In other words, the</p>	<p>127</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Did you pay for those trips?</p> <p>3 A Personally?</p> <p>4 Q Yes.</p> <p>5 A No.</p> <p>6 Q Did Sentinel pay for those trips?</p> <p>7 A If-- they would have paid if it was</p> <p>8 Sentinel related, yes.</p> <p>9 Q And how do you know that?</p> <p>10 A I would have had to submit expenses.</p> <p>11 Q So when you went on those trips, who did</p> <p>12 you submit those expenses to?</p> <p>13 A So the process in general for expenses --</p> <p>14 this may help for other stuff. Any expense that</p> <p>15 came through Sentinel would be sent to Beecher</p> <p>16 Carlson with an invoice in detail and all that</p> <p>17 stuff. They would load it into the banking</p> <p>18 system. The -- never me, because the other two</p> <p>19 directors would approve it. They would ask</p> <p>20 questions, like what's this for, who's -- all that</p> <p>21 stuff. Once they got comfortable with the</p> <p>22 expense, they would approve it in the banking</p> <p>23 system and it would go back to Beecher Carlson and</p> <p>24 then they would release wires or payment or</p> <p>25 whatever from there. So it was like a three-step</p>
<p>126</p> <p>1 distressed private equity stuff had nothing to do</p> <p>2 with Sentinel and vice versa.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Well, did you do any of your work for</p> <p>5 Sentinel from the Highland office?</p> <p>6 A Yes.</p> <p>7 Q Did you use your Highland phone?</p> <p>8 A I don't have a Highland phone.</p> <p>9 Q Did you make phone calls regarding</p> <p>10 Sentinel matters while you were at the Highland</p> <p>11 office?</p> <p>12 A Yes.</p> <p>13 Q Did you -- did you have e-mail</p> <p>14 correspondence regarding Sentinel matters while</p> <p>15 you were working at the Highland office?</p> <p>16 A Yes.</p> <p>17 Q Did you ever ask anybody to be compensated</p> <p>18 for the time that you were spending on Sentinel</p> <p>19 matters?</p> <p>20 A No.</p> <p>21 Q Did Highland pay for your trips to the</p> <p>22 Cayman Islands on behalf of Sentinel?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 A I don't believe so. I doubt it.</p> <p>25</p>	<p>128</p> <p>1 process. All I would do is submit expenses.</p> <p>2 Q So the other -- so the independent</p> <p>3 directors had to approve your expenses?</p> <p>4 A Every penny, yes.</p> <p>5 Q What is the -- you said there was like a</p> <p>6 list in compliance of affiliates. What -- have</p> <p>7 you ever seen that list?</p> <p>8 A No. I think -- I don't know if it was a</p> <p>9 specific general list of affiliates. This was</p> <p>10 with respect to shares that Sentinel owned and I</p> <p>11 think it was classified as an affiliate on the</p> <p>12 spreadsheet, if that makes sense. It wasn't a</p> <p>13 giant list of affiliates, nonaffiliates or</p> <p>14 whatever.</p> <p>15 Q Was it a list of investors in Multi Strat?</p> <p>16 Does that sound familiar?</p> <p>17 A It wouldn't have been Multi Strat. It was</p> <p>18 something to do with real estate, if I remember</p> <p>19 right.</p> <p>20 Q I am handing you what's been previously</p> <p>21 marked as Exhibit 28. You can set that other</p> <p>22 exhibit to the side.</p> <p>23 MS. SMITH: Do we have that one already?</p> <p>24 MS. TOMKOWIAK: You should.</p> <p>25</p>

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<p>129</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Let me know when you're ready, Mr. DiOrio.</p> <p>3 (Witness reviews document.)</p> <p>4 A Okay.</p> <p>5 BY MS. TOMKOWIAK:</p> <p>6 Q Do you recall this e-mail chain?</p> <p>7 A Not particularly, but it's ringing a bell.</p> <p>8 Q Do you recall the issues described in the</p> <p>9 e-mail chain?</p> <p>10 A Some.</p> <p>11 Q Okay. So earlier you mentioned that in</p> <p>12 2019, CIMA raised certain issues. In this e-mail,</p> <p>13 it looks like CIMA is asking that the Sentinel</p> <p>14 structure be simplified. Do you recall CIMA</p> <p>15 raising that issue?</p> <p>16 A Yes.</p> <p>17 Q What do you recall about that?</p> <p>18 A There was a company that sat above -- let</p> <p>19 me see if it's in here actually. Okay. Yeah.</p> <p>20 My -- the rest of it I kind of heard. The one</p> <p>21 specific to Sentinel that I remember was the</p> <p>22 Sentinel Re Holdings.</p> <p>23 Q Are you looking at the last page of this?</p> <p>24 A I am. Sorry.</p> <p>25 Q That's okay.</p>	<p>131</p> <p>1 A If they're asking -- if it's contemplated</p> <p>2 in this e-mail that CIMA is telling -- or</p> <p>3 demanding this to happen, I'm sure it did. I just</p> <p>4 can't for sure say that it actually -- with</p> <p>5 respect to Nimitz and Patten. I know Sentinel Re</p> <p>6 Holdings was merged.</p> <p>7 Q So after they were merged, do you know who</p> <p>8 owned Sentinel Reinsurance?</p> <p>9 A I would assume the bones of this structure</p> <p>10 survived whatever was -- you know, with the two</p> <p>11 sides. So I assume the ownership didn't change,</p> <p>12 ultimately.</p> <p>13 Q So you would assume that ultimately USP1,</p> <p>14 SAS Holdings and USP2 owned Sentinel Reinsurance?</p> <p>15 MS. SMITH: Objection, form.</p> <p>16 A I think ultimately if you follow it all</p> <p>17 the way down, yeah, I think so.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Do you know who USP1 is?</p> <p>20 A I think it's probably Mr. Ellington.</p> <p>21 Q What about USP2?</p> <p>22 A I would say it's Mr. Dondero.</p> <p>23 Q And I think earlier we talked about the</p> <p>24 relationship between SAS and Sentinel. Do you</p> <p>25 agree, looking at this chart, that it appears that</p>
<p>130</p> <p>1 A 3126, the --</p> <p>2 Q The Bates number. Got it.</p> <p>3 A Bates number. There you go. Yeah. And I</p> <p>4 remember Sentinel had to -- or that entity had to</p> <p>5 be merged into Sentinel Reinsurance, Ltd. If I</p> <p>6 remember right, CIMA said the structure was not as</p> <p>7 simple as it could be.</p> <p>8 Q Do you know why that was an issue for</p> <p>9 CIMA?</p> <p>10 A I don't.</p> <p>11 Q And do you recall if, in fact, Sentinel Re</p> <p>12 Holdings was merged out of existence around this</p> <p>13 time?</p> <p>14 MS. SMITH: Objection, form.</p> <p>15 A It was at some point.</p> <p>16 BY MS. TOMKOWIAK:</p> <p>17 Q Do you know whether Patten and Nimitz were</p> <p>18 also merged out of existence at that time?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 A That, I don't know. My involvement would</p> <p>21 have been Sentinel Re Holdings down, if that makes</p> <p>22 sense.</p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q So you just don't recall one way or the</p> <p>25 other?</p>	<p>132</p> <p>1 SAS owns Sentinel in some manner?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 A Can you direct me to where you're looking</p> <p>4 specifically on here?</p> <p>5 BY MS. TOMKOWIAK:</p> <p>6 Q Sure. I'm looking at the top line, that</p> <p>7 rectangle box that says SAS Holdings, SVP -- I'm</p> <p>8 sorry, SPV Ltd.</p> <p>9 A It looks from here like, yeah, the -- I</p> <p>10 guess if you follow it all the way down, SAS</p> <p>11 Holdings SPV Ltd. is a 1 percent value owner</p> <p>12 ultimately -- of how Holdings, which, you know,</p> <p>13 follow the thing down. I don't think this is an</p> <p>14 up-to-date org chart. Just seeing Sentinel Re</p> <p>15 Holdings on here, I guess would tell me that. I</p> <p>16 don't know about above that.</p> <p>17 Q Do you know whether it's an accurate chart</p> <p>18 as of April 9th, 2018?</p> <p>19 MS. SMITH: Objection, form.</p> <p>20 A If it says it, I'm sure it is or I'm sure</p> <p>21 it was.</p> <p>22 BY MS. TOMKOWIAK:</p> <p>23 Q Looking at the -- looking at the last</p> <p>24 page, do you know what SeaOne (US) means?</p> <p>25 A That particular entity, no, but -- I don't</p>

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<p>133</p> <p>1 know if it's even -- are we considering that an 2 entity on here? 3 Q Do you know what it is? 4 A SeaOne is an investment held at 5 SS Holdings, that predated my time at Sentinel. I 6 believe the investment was made in 2014ish. 7 Q SS Holdings is a wholly owned sub of 8 Sentinel Reinsurance, right? 9 MS. SMITH: Objection, form. 10 A I think so. 11 BY MS. TOMKOWIAK: 12 Q Do you know whether Sentinel, through 13 SS Holdings, still has an investment in SeaOne, at 14 least as of June when you resigned from the board 15 of Sentinel? 16 A As far as I know, yeah. 17 Q Do you know whether that's a profitable 18 investment? 19 A I know it's -- well, it's largely 20 illiquid, so no money has been made so profitable, 21 I don't know if I would characterize it as that. 22 Q What do you mean by illiquid? Do you know 23 how Sentinel through SS Holdings is invested in 24 SeaOne? 25 A I don't know what -- the details of the</p>	<p>135</p> <p>1 purpose -- you know, what it was set up for. 2 Q Do you know if it has operations? 3 A I don't know -- I don't know if it has 4 operations. 5 Q How do you know the name? 6 A As part of the CIMA cleanup inspection, 7 all that good stuff, Sentinel was carrying some -- 8 some of the assets from that list that we looked 9 at prior that were deemed worthless, but again 10 they all came over. We are were instructed -- 11 Sentinel was instructed to remove those from its 12 balance sheet because they were worthless and it 13 was resulting in a qualification on the audit. So 14 the assets were all sold to Sebastian Clarke for a 15 dollar, just to warehouse them off Sentinel's 16 books. 17 Q So did CIMA ask Sentinel to remove those 18 from its balance sheet? 19 A CIMA instructed -- or dictated to Sentinel 20 that it was no longer to submit an audit with a 21 qualification. Do you know what that means? 22 Generally? 23 Q You mean a qualified audit? 24 A Yes. 25 Q Yeah.</p>
<p>134</p> <p>1 original transaction. Again, that was way before 2 my time. But Sentinel had a third-party valuation 3 done on it at some point during my time -- 4 Q Do you know what -- 5 A -- to ascertain the value. But you know, 6 again, third party. 7 Q Do you know what the third party concluded 8 was the value of that investment? 9 A This was pre-COVID and this is -- who 10 knows what happened to it after that, I haven't 11 seen anything, but it was about \$45 million, give 12 or take. 13 Q Pre-COVID, so early 2020? 14 A Would have been a valuation done for the 15 2019 audit. So it would have been as of year-end 16 12/31/19. 17 Q And if you look at the Offshore Fund 18 Structure, which is the chart before that. 19 A Okay. 20 Q There's an entity in the lower right-hand 21 corner called Sebastian Clarke. It's not the very 22 last one to the bottom right, but one over. 23 A I see it. 24 Q Do you know what that is? 25 A I know the name. I don't know what its</p>	<p>136</p> <p>1 A And that was one of the things that was 2 leading to the qualified audit. So indirectly 3 CIMA said get rid of these and then the audit was 4 clean last year, or unqualified. 5 Q Unqualified in 2020? 6 A For the 2019 financials. 7 Q 2019. Do you know whether the 2020 audit 8 has been completed? 9 A It has not. 10 MS. SMITH: Is now a good time for a 11 break? 12 MS. TOMKOWIAK: Give me just one minute to 13 see if I'm done with that Sebastian Clarke thing. 14 Just a few more follow-up questions on that. 15 BY MS. TOMKOWIAK: 16 Q What does it mean that the assets were 17 deemed worthless? 18 A A lot of the -- or a number of the assets 19 that were still sitting on the -- that list 20 basically sent the balance sheets of the insured 21 funds, were crisis era instruments that no longer 22 had -- was my understanding had no value. Like 23 you would see on there there's some zeros next to 24 them and they just were worthless and were never 25 going to have value again.</p>

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<p>137</p> <p>1 Q Do you know who deemed them worthless?</p> <p>2 A <b>There were -- Highland marks, internal</b></p> <p>3 <b>valuation at Highland, and we sent -- Sentinel</b></p> <p>4 <b>sent all this information -- what we had over to</b></p> <p>5 <b>this third-party valuation firm and some of them</b></p> <p>6 <b>they said there wasn't even enough information</b></p> <p>7 <b>because they were so old to say that they're</b></p> <p>8 <b>worthless. And then you can look some of them up</b></p> <p>9 <b>on Bloomberg and they're worthless.</b></p> <p>10 Q So it's your understanding that at the</p> <p>11 time that they were transferred to Sentinel, some</p> <p>12 of the assets were already worthless?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 A <b>That's correct.</b></p> <p>15 MS. TOMKOWIAK: Yes, now is a good time</p> <p>16 for a break.</p> <p>17 THE VIDEOGRAPHER: We are off the record</p> <p>18 at 12:33 p.m.</p> <p>19 (Recess taken from 12:33 p.m. CDT to</p> <p>20 1:27 p.m. CDT)</p> <p>21 THE VIDEOGRAPHER: The time is 1:27 p.m.</p> <p>22 We are back on the record.</p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q So, Mr. DiOrio, this morning we were</p> <p>25 talking a little bit about your role as a director</p>	<p>139</p> <p>1 Mr. Dean. Am I wrong about that?</p> <p>2 A <b>I don't know.</b></p> <p>3 Q Okay. What about Mr. Christopher Watler?</p> <p>4 Was he a director when you joined the board?</p> <p>5 A <b>What was the name?</b></p> <p>6 Q Christopher Watler?</p> <p>7 A <b>I don't believe I've ever heard that name.</b></p> <p>8 Q You've never heard that name?</p> <p>9 A <b>I don't think so. It's not ringing a</b></p> <p>10 <b>bell.</b></p> <p>11 Q He -- okay. So when you were on the board</p> <p>12 of Sentinel, he wasn't a director?</p> <p>13 A <b>If he was, I never spoke to him or met</b></p> <p>14 <b>with him.</b></p> <p>15 Q So to the best of your recollection, when</p> <p>16 you joined the board, Ms. Thompson and Mr. Dean</p> <p>17 were on the board and then Dilip Massand joined at</p> <p>18 the same time you did?</p> <p>19 A <b>Yeah. I know for sure Lesley was. I</b></p> <p>20 <b>don't know if she replaced Andrew Dean. I think</b></p> <p>21 <b>that's his name. I'm not sure.</b></p> <p>22 Q Okay.</p> <p>23 A <b>I just remember the only person I spoke to</b></p> <p>24 <b>that I can recall was Lesley Thompson.</b></p> <p>25 Q She worked at Maples?</p>
<p>138</p> <p>1 of Sentinel and you said you believed you were</p> <p>2 appointed to be a director of Sentinel in</p> <p>3 September 2017?</p> <p>4 A <b>That's correct.</b></p> <p>5 Q And you don't have any more precise</p> <p>6 recollection when in September?</p> <p>7 A <b>I don't know the exact date.</b></p> <p>8 Q And you said Mr. Ellington asked you to be</p> <p>9 on the board of Sentinel; is that right?</p> <p>10 A <b>Yes.</b></p> <p>11 Q Anybody else?</p> <p>12 A <b>No, not that I recall.</b></p> <p>13 Q Did you replace a director on the board?</p> <p>14 A <b>I don't know if I directly replaced</b></p> <p>15 <b>anyone, but I was appointed along with a gentleman</b></p> <p>16 <b>by the name of Dilip Massand. And I think as I</b></p> <p>17 <b>mentioned before, Maples, there were two directors</b></p> <p>18 <b>from Maples.</b></p> <p>19 Q Who were the two directors from Maples at</p> <p>20 the time you joined the board?</p> <p>21 A <b>One was named Lesley Thompson. I think</b></p> <p>22 <b>the other was named Andrew something, Dean maybe.</b></p> <p>23 Q So I'm trying to understand the</p> <p>24 composition of the board because I've seen</p> <p>25 documents indicating that Lesley replaced</p>	<p>140</p> <p>1 A <b>Yes.</b></p> <p>2 Q Dilip, where did he work?</p> <p>3 A <b>He was based in the Middle East. He</b></p> <p>4 <b>provided service to SAS.</b></p> <p>5 Q And why was he asked to join the board?</p> <p>6 A <b>You'd have to ask Mr. Ellington. I don't</b></p> <p>7 <b>know.</b></p> <p>8 Q What role did he play on the board?</p> <p>9 A <b>Same as me, just a board -- a director.</b></p> <p>10 Q Did you have any interactions with him?</p> <p>11 A <b>I did, yeah.</b></p> <p>12 Q Do you know how long he stayed on the</p> <p>13 board?</p> <p>14 A <b>I believe we were appointed around the</b></p> <p>15 <b>same time. I want to say early 2020 he might have</b></p> <p>16 <b>come off.</b></p> <p>17 Q Do you know why?</p> <p>18 A <b>He resigned.</b></p> <p>19 Q Do you know why?</p> <p>20 A <b>I think he was exploring other</b></p> <p>21 <b>opportunities and no longer wanted to serve.</b></p> <p>22 Q Did he tell you why he was resigning from</p> <p>23 the board?</p> <p>24 A <b>No, not directly, that I recall.</b></p> <p>25 Q Did anybody else tell you why Mr. Massand</p>

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<p>141</p> <p>1 was resigning from the board?</p> <p>2 <b>A No, not that I recall.</b></p> <p>3 Q Was SAS entitled to appoint someone to the</p> <p>4 board?</p> <p>5 MS. SMITH: Objection, form.</p> <p>6 <b>A I don't know.</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q So you don't know if SAS had some right to</p> <p>9 have a representative sit on the Sentinel board?</p> <p>10 <b>A Not to my knowledge.</b></p> <p>11 Q Did Mr. Massand work at Highland ever?</p> <p>12 <b>A I don't know.</b></p> <p>13 Q You don't know?</p> <p>14 <b>A Huh-uh.</b></p> <p>15 Q Did Ms. Thompson and Mr. Dean, do you know</p> <p>16 if they were on the board the entire time that you</p> <p>17 were on the board?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 <b>A They were not.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q When did they come off the board?</p> <p>22 <b>A I believe sometime in the fall of 2017.</b></p> <p>23 Q And is that with respect to both</p> <p>24 Ms. Thompson and Mr. Dean?</p> <p>25 <b>A Again, I'm not sure as to the status of</b></p>	<p>143</p> <p>1 <b>A I don't. I don't remember.</b></p> <p>2 Q You don't know, or you don't remember?</p> <p>3 And the distinction there being you never knew or</p> <p>4 you knew but, as you sit here today, you don't</p> <p>5 recall?</p> <p>6 <b>A The latter.</b></p> <p>7 Q As you sit here today, you don't recall?</p> <p>8 <b>A Yes.</b></p> <p>9 Q And both of those individuals worked at</p> <p>10 Maples as well, correct?</p> <p>11 <b>A That's incorrect.</b></p> <p>12 Q Where did they work?</p> <p>13 <b>A Mr. Neveril worked at a firm -- works, as</b></p> <p>14 <b>far as I know still at a firm called Compass,</b></p> <p>15 <b>based in Cayman.</b></p> <p>16 Q Compass like the compass?</p> <p>17 <b>A Yeah.</b></p> <p>18 Q Okay.</p> <p>19 <b>A And Mr. Austin worked at a firm called</b></p> <p>20 <b>IMS, also based in Cayman.</b></p> <p>21 Q Do you know if Sentinel was required to</p> <p>22 have a certain number of individuals sit on its</p> <p>23 board from the Cayman Islands?</p> <p>24 <b>A A certain number from the Cayman Islands</b></p> <p>25 <b>specifically?</b></p>
<p>142</p> <p>1 <b>Mr. Dean. When you said she replaced him, I never</b></p> <p>2 <b>heard that before, so I can't speak to that.</b></p> <p>3 Q But you believe that Ms. Thompson came off</p> <p>4 the board in 2017?</p> <p>5 <b>A At some point.</b></p> <p>6 Q So in 2018, who were the directors of</p> <p>7 Sentinel?</p> <p>8 <b>A Was myself, Dilip Massand and then around</b></p> <p>9 <b>whatever time Ms. Thompson left, two new -- two</b></p> <p>10 <b>independent directors were also appointed to the</b></p> <p>11 <b>Sentinel board.</b></p> <p>12 Q And what are their names?</p> <p>13 <b>A Jan Neveril is one, J-a-n N-e-v-e-r-i-l,</b></p> <p>14 <b>and the other gentleman is named Damien Austin.</b></p> <p>15 Q So Mr. Neveril and Mr. Austin joined the</p> <p>16 board when Ms. Thompson left?</p> <p>17 <b>A I would assume around the same time, yeah.</b></p> <p>18 Q Do you know who appointed them to the</p> <p>19 board?</p> <p>20 <b>A I remember, I think myself and Mr. Sevilla</b></p> <p>21 <b>interviewed a few perspective board members.</b></p> <p>22 Q How were those candidates identified?</p> <p>23 <b>A Referrals. I'm not entirely sure from</b></p> <p>24 <b>who.</b></p> <p>25 Q You don't know who referred them to you?</p>	<p>144</p> <p>1 Q Yes.</p> <p>2 <b>A That, I don't know.</b></p> <p>3 Q Do you know if there were any requirements</p> <p>4 with respect to the Sentinel board in terms of who</p> <p>5 had to sit on it or how many directors it had?</p> <p>6 <b>A The only -- my understanding is that a</b></p> <p>7 <b>minimum of two at all times.</b></p> <p>8 Q Do you know if that came from some type of</p> <p>9 regulation or some type of governing document that</p> <p>10 was specific to Sentinel?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 <b>A I don't know.</b></p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q Where did you get that understanding from?</p> <p>15 <b>A I had heard it over the years or at some</b></p> <p>16 <b>point, that we can't have less than two directors,</b></p> <p>17 <b>probably from an attorney at some point.</b></p> <p>18 Q You don't recall who?</p> <p>19 <b>A No.</b></p> <p>20 Q Are you aware that Mr. Neveril resigned</p> <p>21 from the board in June of this year?</p> <p>22 <b>A Yes.</b></p> <p>23 Q And are you aware that Mr. Austin resigned</p> <p>24 from the board in June of this year?</p> <p>25 <b>A Yes.</b></p>

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<p>145</p> <p>1 Q Do you understand why Mr. Neveril resigned 2 from the board? 3 <b>A Specific reasons why? I don't know.</b> 4 Q Do you have a general understanding of why 5 Mr. Neveril resigned from the board? 6 <b>A I'd rather not speculate as to his 7 motives. I don't know.</b> 8 Q Well, did he tell you why he resigned from 9 the board? 10 <b>A No.</b> 11 Q Did anybody else tell you why Mr. Neveril 12 resigned from the board? 13 <b>A Not that I recall.</b> 14 Q Okay. Do you have any basis at all to 15 know why Mr. Neveril resigned from the board? 16 MS. SMITH: Objection. I'm going to 17 caution you not to disclose confidential 18 information among the board members. 19 <b>A I don't know.</b> 20 MS. SMITH: Privileged -- I'm sorry, 21 privileged information. 22 MS. TOMKOWIAK: Sorry, what's the 23 privilege? 24 MS. SMITH: If you spoke to an attorney 25 for Sentinel, that would be privileged.</p>	<p>147</p> <p>1 same day? 2 <b>A That sounds -- sure.</b> 3 Q Do you know why they did that? 4 <b>A I don't.</b> 5 Q Did you receive a resignation letter from 6 either of them? 7 <b>A I don't know.</b> 8 Q Was anything happening at Sentinel at this 9 time that would cause them to resign? 10 <b>A I think there was a reconstitution of the 11 board. I was also resigning at some point.</b> 12 Q Anything else? 13 <b>A Not that I can think of. Excuse me. Not 14 that I can think of.</b> 15 Q Do you know who replaced Mr. Neveril and 16 Mr. Austin? 17 <b>A Yes, I do.</b> 18 Q Who is that? 19 <b>A A gentleman named Wade Kenny or Kenny or 20 Kenny. And then a gentleman named Casey McDonald.</b> 21 Q Do you know how they were appointed? 22 <b>A What do you mean, how they were appointed?</b> 23 Q Who appointed them; do you know? 24 <b>A I think that may be privileged.</b> 25 Q Well, just who appointed them? Was it the</p>
<p>146</p> <p>1 BY MS. TOMKOWIAK: 2 Q Okay. So without revealing any 3 communications that you had with -- the substance 4 with any attorneys who represented Sentinel, 5 setting that aside, do you have any other 6 understanding of why Mr. Neveril resigned from the 7 board? 8 MS. SMITH: Or with your -- excuse me. 9 Objection as to form. Or if you have any 10 privilege with your own attorneys for you 11 individually or attorneys for Sentinel. 12 <b>A I don't know.</b> 13 <b>BY MS. TOMKOWIAK:</b> 14 Q What about with respect to Mr. Austin? 15 <b>A I don't know.</b> 16 Q He didn't tell you why he was resigning? 17 <b>A Not that I recall.</b> 18 Q And nobody else told you why he was 19 resigning? 20 <b>A Not that I recall.</b> 21 Q Do you have term limits on the Sentinel 22 board? 23 <b>A I've never heard that. I don't know one 24 way or the other, but -- I don't know.</b> 25 Q Are you aware that they resigned on the</p>	<p>148</p> <p>1 Sentinel board? Was it you? Was it -- who 2 appointed them as directors of Sentinel? 3 MS. SMITH: Objection, form. 4 MS. HARTMANN: And if you have a question 5 on privilege, you can talk to us about it. 6 <b>A Yeah, can I ask them?</b> 7 <b>BY MS. TOMKOWIAK:</b> 8 Q Sure. Yeah, can we just be -- really sure 9 break to talk about the privilege issue. I mean, 10 I'm just asking for a person. 11 <b>A I understand.</b> 12 Q Yeah. 13 THE VIDEOGRAPHER: Off the record at 14 1:39 p.m. 15 (Recess taken from 1:39 p.m. CDT to 16 1:41 p.m. CDT) 17 THE VIDEOGRAPHER: 1:41 p.m., back on the 18 record. 19 MS. SMITH: I'm going to caution my 20 witness not to divulge any conversations that he 21 had with counsel that is privileged. I did not 22 realize until he said I heard from counsel, that 23 the information that he had previously shared 24 regarding the referrals was learned from 25 conversations with outside counsel for Sentinel at</p>

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<p>1 the time.</p> <p>2 MS. TOMKOWIAK: Okay. But -- okay. Well,</p> <p>3 let me ask my question.</p> <p>4 BY MS. TOMKOWIAK:</p> <p>5 Q So who appointed Mr. -- I'm sorry. Let me</p> <p>6 go back to my questions.</p> <p>7 Do you know who appointed Mr. Kenny to the</p> <p>8 board?</p> <p>9 A He was referred by counsel and his</p> <p>10 appointment was approved by CIMA.</p> <p>11 Q Okay. And what about Mr. McDonald?</p> <p>12 A It was the same. Referred by counsel,</p> <p>13 approved by CIMA.</p> <p>14 Q What counsel?</p> <p>15 A Sentinel's counsel.</p> <p>16 Q Is that Carey Olsen? Attorneys at Carey</p> <p>17 Olsen? I'm just trying to understand. Seems to</p> <p>18 me that Sentinel has hired multiple external</p> <p>19 counsel. So which counsel?</p> <p>20 A It was --</p> <p>21 MS. SMITH: Objection, privileged.</p> <p>22 BY MS. TOMKOWIAK:</p> <p>23 Q Which law firm made the referral?</p> <p>24 MS. HARTMANN: You can answer.</p> <p>25 MS. SMITH: You can answer that question.</p>	<p>149</p> <p>1 information.</p> <p>2 MS. TOMKOWIAK: But that's --</p> <p>3 MS. SMITH: You can answer her yes-or-no</p> <p>4 question.</p> <p>5 A Yes.</p> <p>6 BY MS. TOMKOWIAK:</p> <p>7 Q Okay. What type of interactions did you</p> <p>8 have?</p> <p>9 A I would characterize it as onboarding for</p> <p>10 them for the new directors.</p> <p>11 Q Okay. Did you have a meeting with them?</p> <p>12 A A phone call.</p> <p>13 Q Phone call. Just one phone call?</p> <p>14 A In that time frame, I think, yes.</p> <p>15 Q Okay. Have there been phone calls since</p> <p>16 then?</p> <p>17 A No.</p> <p>18 Q Have you had any communications with</p> <p>19 Mr. Kenny or Mr. McDonald since your resignation</p> <p>20 from the board?</p> <p>21 A I don't believe so.</p> <p>22 Q Okay. Did you discuss with Mr. Kenny or</p> <p>23 Mr. McDonald the Sentinel policy?</p> <p>24 MS. SMITH: Objection, form.</p> <p>25 A They are aware of the policy, yes.</p>
<p>1 A Collas Crill.</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q Collas Crill. Okay. Did you do any work</p> <p>4 with Mr. Kenny and Mr. McDonald in your capacity</p> <p>5 as a Sentinel director, in between the time that</p> <p>6 they were appointed and you resigned?</p> <p>7 A Work -- can you -- sorry, can you be more</p> <p>8 specific what you mean?</p> <p>9 Q I mean, did you have any interactions with</p> <p>10 them in your mutual capacities as Sentinel</p> <p>11 directors between June 2nd when they were</p> <p>12 appointed and June 25th when you resigned?</p> <p>13 A Between June -- sorry, between June 22nd</p> <p>14 and June 25th?</p> <p>15 Q Between when they were appointed and you</p> <p>16 resigned.</p> <p>17 MS. SMITH: Objection.</p> <p>18 I'm going to caution you not to divulge</p> <p>19 confidential information about board member</p> <p>20 discussions.</p> <p>21 MS. TOMKOWIAK: I'm sorry, that's not --</p> <p>22 are you saying something different than privileged</p> <p>23 information?</p> <p>24 MS. SMITH: He's a member of a board of</p> <p>25 the company. They may have confidential</p>	<p>150</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Okay. And what did you discuss?</p> <p>3 MS. SMITH: Objection, form.</p> <p>4 If there were any lawyers present on the</p> <p>5 phone calls, then it could be privileged.</p> <p>6 A Then it was privileged, I believe.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q So you had a phone call with Mr. Neveril</p> <p>9 and Mr. McDonald during which counsel was present</p> <p>10 on the phone; is that what you're saying?</p> <p>11 A No, not Mr. Neveril.</p> <p>12 Q Okay. So you had a conversation with --</p> <p>13 okay. So then, I'm sorry, Mr. Kenny and</p> <p>14 Mr. McDonald?</p> <p>15 A That's correct.</p> <p>16 Q And attorneys were on the phone?</p> <p>17 A Correct.</p> <p>18 Q Okay. And outside of that phone</p> <p>19 conversation, did you have any other</p> <p>20 communications with Mr. Kenny or Mr. McDonald,</p> <p>21 first, prior to your resignation from the board?</p> <p>22 MS. SMITH: Objection to form. If there</p> <p>23 was counsel present at the conversations, then</p> <p>24 it's privileged.</p> <p>25 MS. TOMKOWIAK: I'm just asking if. If.</p>

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<p>1 BY MS. TOMKOWIAK: 2 Q If you had any communications with those 3 two individuals other than the phone call you 4 already told me about -- 5 <b>A Right.</b> 6 Q -- before you resigned from the board? 7 <b>A With counsel present, yes.</b> 8 Q Okay. How many other conversations? 9 <b>A One that I can recall.</b> 10 Q And were both Mr. Kenny and Mr. McDonald 11 present? 12 <b>A Yes.</b> 13 Q Okay. So before you resigned from the 14 board of Sentinel, you had two conversations with 15 Mr. Kenny and Mr. McDonald on the phone and 16 counsel from Collas Crill was on the phone as 17 well? 18 <b>A That's right.</b> 19 Q Okay. Did you provide Mr. Kenny or 20 Mr. McDonald with any documents? 21 <b>A I don't believe so.</b> 22 Q Do you know anything else about their 23 onboarding process? 24 MS. SMITH: Objection to form. 25 <b>A Nothing other than what I was involved</b></p>	<p>153 1 <b>A They're aware a claim had been made, yes.</b> 2 <b>BY MS. TOMKOWIAK:</b> 3 Q Did you make them aware? 4 MS. SMITH: Objection to form. 5 <b>A I'm not sure who made them aware.</b> 6 <b>BY MS. TOMKOWIAK:</b> 7 Q Okay. What about Mr. Neveril or 8 Mr. Austin? Were either of those individuals 9 aware that a claim had been made on the policy 10 before they resigned from the board? 11 MS. SMITH: I'm going to caution you not 12 to divulge any privileged information. 13 <b>A Yes, they were.</b> 14 <b>BY MS. TOMKOWIAK:</b> 15 Q Were you aware before you resigned from 16 the board, that a claim had been made on the 17 policy? 18 MS. SMITH: I'm going to caution you not 19 to divulge any privileged information. 20 <b>A Yes.</b> 21 <b>BY MS. TOMKOWIAK:</b> 22 Q Did you receive a copy of that claim? 23 MS. SMITH: I'm going to caution you not 24 to divulge any privileged information. 25 <b>A I received a claim letter, yes.</b></p>
<p>154 1 <b>with.</b> 2 <b>BY MS. TOMKOWIAK:</b> 3 Q And you were only involved with those two 4 phone calls? 5 <b>A As best as I can remember, yeah.</b> 6 Q What about e-mails? Did you have any 7 e-mail communication with either of them? 8 <b>A Some. None that wasn't privileged.</b> 9 Q And by saying that, because you're not a 10 lawyer, so I'm trying to figure out how you made 11 that determination. Are you saying that all of 12 the communications that you had with Mr. Kenny and 13 Mr. McDonald, there were lawyers included on those 14 e-mails? 15 <b>A That's right.</b> 16 Q And you were seeking advice from those 17 attorneys on those e-mails? 18 MS. SMITH: Objection to form. 19 <b>A I don't -- I don't recall the nature of</b> 20 <b>the e-mail with respect to counsel.</b> 21 <b>BY MS. TOMKOWIAK:</b> 22 Q Did you discuss with Mr. Kenny or 23 Mr. McDonald that a claim had been made on the 24 policy? 25 MS. SMITH: Objection to form.</p>	<p>155 1 <b>BY MS. TOMKOWIAK:</b> 2 Q Did you take any actions -- and I'm not 3 interested in the substance of your conversations 4 with your attorneys, but when you received that 5 claim letter, what did you do with it? 6 MS. SMITH: I'm going to caution you not 7 to divulge any privileged information. 8 <b>A I forwarded it to counsel.</b> 9 <b>BY MS. TOMKOWIAK:</b> 10 Q Did you do anything else? 11 <b>A Not that I recall.</b> 12 Q Did you discuss it with your -- the other 13 directors on the board outside of the presence of 14 counsel? 15 <b>A No.</b> 16 Q Did you discuss it with anybody at 17 Highland? 18 <b>A No.</b> 19 Q Did you discuss it with anybody at SAS? 20 <b>A Not that I recall.</b> 21 Q Did you discuss it with Mr. Ellington? 22 <b>A Not that I recall.</b> 23 Q Did you discuss it with Mr. Dondero? 24 <b>A Not that I recall.</b> 25 Q Other than forwarding it to counsel, did</p>



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<p>157</p> <p>1 you do anything else with a claim on the policy in</p> <p>2 your capacity as a director of Sentinel?</p> <p>3 <b>A No, not that I can recall.</b></p> <p>4 Q Did you send it to Beecher Carlson?</p> <p>5 MS. SMITH: Objection.</p> <p>6 I'm going to caution you not to divulge</p> <p>7 any privileged information.</p> <p>8 <b>A I don't remember e-mailing to Beecher</b></p> <p>9 <b>Carlson, no.</b></p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Was it your understanding before you left</p> <p>12 Sentinel that the claim was being evaluated?</p> <p>13 MS. SMITH: Objection.</p> <p>14 I'm going to caution you not to divulge</p> <p>15 any privileged information.</p> <p>16 <b>A It's my understanding.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q Who at Sentinel would be in charge of</p> <p>19 making coverage decisions? Let me back up.</p> <p>20 Who -- if a claim was made on an insurance</p> <p>21 policy that Sentinel wrote, who would be in charge</p> <p>22 of evaluating that claim?</p> <p>23 <b>A I believe the board.</b></p> <p>24 Q So during the time that you were a</p> <p>25 director of Sentinel, were you ever asked to</p>	<p>159</p> <p>1 MS. TOMKOWIAK: Well, it sounded like</p> <p>2 there was a chorus of objections.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Okay. So whenever you became a director</p> <p>5 of Sentinel till when you resigned from being a</p> <p>6 director of Sentinel --</p> <p>7 <b>A Yes.</b></p> <p>8 Q -- that's the time frame I'm talking</p> <p>9 about.</p> <p>10 <b>A Okay. And can you repeat the question?</b></p> <p>11 Q Sure. Do you know how many -- do you know</p> <p>12 approximately how many policies Sentinel wrote?</p> <p>13 <b>A I don't know the number.</b></p> <p>14 Q Was it more than the -- more than one?</p> <p>15 <b>A Yes.</b></p> <p>16 Q Other than the ATE policy that we've</p> <p>17 talked about today, do you know whether Sentinel</p> <p>18 wrote any other ATE policies?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A Not that I'm aware of.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q Do you know what an ATE policy is?</p> <p>23 <b>A I do.</b></p> <p>24 Q What is it?</p> <p>25 <b>A It stands for after-the-event policy. An</b></p>
<p>158</p> <p>1 evaluate a claim that was made on a policy that</p> <p>2 Sentinel wrote?</p> <p>3 <b>A No, I was not.</b></p> <p>4 Q So during the time that you were a</p> <p>5 director at Sentinel, were any claims made on any</p> <p>6 policies that Sentinel wrote?</p> <p>7 <b>A Just the one you referenced earlier.</b></p> <p>8 Q Do you know approximately how many</p> <p>9 policies Sentinel wrote?</p> <p>10 <b>A At what point in time?</b></p> <p>11 Q At the -- during the time you were a</p> <p>12 director.</p> <p>13 <b>A Which specific time, time frame?</b></p> <p>14 Q Well, you weren't able to tell me exactly</p> <p>15 when you became a director, so whatever date that</p> <p>16 was in September 2017?</p> <p>17 MS. SMITH: Objection to form.</p> <p>18 <b>A Okay.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q Whatever date that was.</p> <p>21 <b>A Yeah.</b></p> <p>22 MS. TOMKOWIAK: Counsel, I -- which one of</p> <p>23 you is objecting?</p> <p>24 MS. SMITH: Me.</p> <p>25 MS. HARTMANN: I didn't say anything.</p>	<p>160</p> <p>1 <b>uninsured pays a premium in exchange for coverage</b></p> <p>2 <b>for -- that's based on the result of an event, not</b></p> <p>3 <b>specific to any -- I believe it's pretty broad</b></p> <p>4 <b>what you can write, as far as policies go.</b></p> <p>5 Q How much time would you say that you spent</p> <p>6 on Sentinel matters on a monthly basis?</p> <p>7 <b>A It depends on the month.</b></p> <p>8 Q What about on a yearly basis?</p> <p>9 <b>A The percentage of my time? Is that what</b></p> <p>10 <b>you -- sorry, is that what you asked?</b></p> <p>11 Q It could be a percentage, it could be</p> <p>12 hours, however you would best describe how much</p> <p>13 time you spent working as a director of Sentinel.</p> <p>14 <b>A Average for the year, probably, I don't</b></p> <p>15 <b>know, couple hours a week, three or four hours a</b></p> <p>16 <b>week.</b></p> <p>17 Q What types of actions did the board -- the</p> <p>18 Sentinel board need to approve?</p> <p>19 <b>A Anything that the company did.</b></p> <p>20 Q I don't mean this to sound snarky, but</p> <p>21 surely not like writing \$5 -- like was there some</p> <p>22 threshold or you're saying any action that the</p> <p>23 Sentinel board needed to do?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 <b>A Yeah, that's what I'm saying.</b></p>

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<p>161</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q Okay. So there was no -- there was</p> <p>3 nothing that specified that for a transaction over</p> <p>4 this particular limit, the board needs to approve,</p> <p>5 there was no materiality threshold whatsoever?</p> <p>6 <b>A If there was, I wasn't aware of it. And</b></p> <p>7 <b>like I said earlier, down to the penny, everything</b></p> <p>8 <b>would go through the directors.</b></p> <p>9 Q And so when you say the board needed to</p> <p>10 approve, was that just referring to the</p> <p>11 independent directors or was your approval also</p> <p>12 needed?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I had no approval authority that I'm aware</b></p> <p>15 <b>of. Everything was sent to the other two</b></p> <p>16 <b>independent directors.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q Was that true with respect to -- was that</p> <p>19 all matters, not just financial matters but</p> <p>20 anything that needed to be approved was sent to</p> <p>21 the two other directors?</p> <p>22 <b>A Yes.</b></p> <p>23 Q Did the board have regular meetings?</p> <p>24 <b>A Well, as I mentioned earlier, we had one</b></p> <p>25 <b>annual meeting the first year and then I believe</b></p>	<p>163</p> <p>1 Q Did you take notes during your meetings?</p> <p>2 <b>A Probably not very many, if any. There's</b></p> <p>3 <b>usually a presentation by Beecher that was up on</b></p> <p>4 <b>the screen.</b></p> <p>5 Q Were you provided with your own copy of</p> <p>6 that presentation?</p> <p>7 <b>A I don't recall. Probably, if I asked.</b></p> <p>8 <b>They probably sent it. I just don't know for</b></p> <p>9 <b>sure.</b></p> <p>10 Q So you just don't recall if they sent you</p> <p>11 a copy of the presentation by e-mail?</p> <p>12 <b>A I don't.</b></p> <p>13 Q Do you recall if they printed out hard</p> <p>14 copies for you to have at the meeting?</p> <p>15 <b>A They were all -- they were never in</b></p> <p>16 <b>person, the meetings.</b></p> <p>17 Q Okay. Great. That was my next question.</p> <p>18 So all of the meetings took place by phone?</p> <p>19 <b>A That's correct.</b></p> <p>20 Q Of -- well, who attended the meetings?</p> <p>21 <b>A I would attend, Mr. Massand when he was on</b></p> <p>22 <b>the board would attend via phone, Beecher Carlson</b></p> <p>23 <b>ran the meetings, and then the other two directors</b></p> <p>24 <b>would attend via phone. They were in Cayman, so</b></p> <p>25 <b>they may have called in from the same place, but</b></p>
<p>162</p> <p>1 <b>after that, CIMA instructed us we needed to have</b></p> <p>2 <b>more. So two was generally the goal.</b></p> <p>3 Q And by the first year, so do you mean that</p> <p>4 in 2017, to the best of your memory, you had one</p> <p>5 meeting?</p> <p>6 <b>A We may have had the 2017 meeting in early</b></p> <p>7 <b>'18, because there was transition with the board.</b></p> <p>8 <b>I don't remember the exact date.</b></p> <p>9 Q Did anybody take minutes at those</p> <p>10 meetings?</p> <p>11 <b>A Beecher Carlson.</b></p> <p>12 Q So if we wanted to ask somebody for</p> <p>13 minutes of those meetings, that's who would have</p> <p>14 them?</p> <p>15 <b>A I believe so.</b></p> <p>16 Q Did the board ever act by written consent?</p> <p>17 MS. SMITH: I'm going to caution you not</p> <p>18 to divulge privileged information.</p> <p>19 <b>A I'm not sure what you mean by that either.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Well, then, maybe you didn't do it, but</p> <p>22 did the board ever -- instead of meeting, did the</p> <p>23 board ever take an action by just signing</p> <p>24 something in writing?</p> <p>25 <b>A I don't recall.</b></p>	<p>164</p> <p>1 <b>that's who would attend.</b></p> <p>2 Q If you were meeting by phone, then can you</p> <p>3 just explain how there was a presentation on the</p> <p>4 screen? What do you mean by that?</p> <p>5 <b>A Like a Zoom-type meeting, where you can</b></p> <p>6 <b>share screen, I guess.</b></p> <p>7 Q So your meetings were by videoconference,</p> <p>8 then?</p> <p>9 <b>A I think so. Or they would send a</b></p> <p>10 <b>presentation. Again, I'm not entirely sure. Like</b></p> <p>11 <b>a Teams meeting you can just click on and</b></p> <p>12 <b>everything shows up.</b></p> <p>13 Q Okay. And so again, you don't recall if</p> <p>14 they sent you an actual copy of the presentation</p> <p>15 or if it was just somehow shared with you via some</p> <p>16 type of web platform?</p> <p>17 <b>A Right.</b></p> <p>18 Q And you don't recall if you took notes or</p> <p>19 not?</p> <p>20 <b>A I don't.</b></p> <p>21 Q If you did take notes, where would those</p> <p>22 notes be now?</p> <p>23 <b>A I have no idea.</b></p> <p>24 Q Did you have any regular practice with</p> <p>25 respect to notes?</p>

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<p>165</p> <p>1 <b>A I had a few notebooks over the years.</b></p> <p>2 Q And what would you do with them?</p> <p>3 <b>A I would -- it's one of those like reusable</b></p> <p>4 <b>ones to take the insert out and put it somewhere.</b></p> <p>5 <b>I never, ever remember going back and looking at</b></p> <p>6 <b>an old notebook.</b></p> <p>7 Q Would you throw them away?</p> <p>8 <b>A I don't know what happened to them.</b></p> <p>9 Q I'm handing you what we will mark as</p> <p>10 Exhibit 78.</p> <p>11 (Deposition Exhibit 78 marked for</p> <p>12 identification.)</p> <p>13 BY MS. TOMKOWIAK:</p> <p>14 Q Mr. DiOrio, is this the resignation letter</p> <p>15 that you submitted to the Sentinel Reinsurance?</p> <p>16 <b>A It looks like it, yes.</b></p> <p>17 Q Is that your signature?</p> <p>18 <b>A That is my signature.</b></p> <p>19 Q You say, Dear Sirs. Who did you mean by</p> <p>20 that?</p> <p>21 <b>A The two newly appointed directors.</b></p> <p>22 Q Mr. Kenny and Mr. McDonald?</p> <p>23 <b>A That's right.</b></p> <p>24 Q Why did you resign from the board?</p> <p>25 <b>A On advice of counsel.</b></p>	<p>167</p> <p>1 any privileged information.</p> <p>2 <b>A I believe this letter was sent to the two</b></p> <p>3 <b>directors you mentioned, probably Collas Crill as</b></p> <p>4 <b>well.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q Do you know whether anybody has replaced</p> <p>7 you on the board?</p> <p>8 <b>A I don't.</b></p> <p>9 MS. TOMKOWIAK: Counsel, we're going to</p> <p>10 look at Exhibit 53 next, if you want to try to</p> <p>11 find that.</p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q Mr. DiOrio, I'm handing you what we have</p> <p>14 previously marked as Exhibit 53 in this case. If</p> <p>15 you can take a few minutes to look at that and let</p> <p>16 me know when you're ready.</p> <p>17 (Witness reviews document.)</p> <p>18 <b>A Okay. I have reviewed it.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q Earlier this morning we talked about the</p> <p>21 settlement analysis that Mr. -- I believe his name</p> <p>22 is Stubbs, the actuary would provide to Sentinel</p> <p>23 Reinsurance regarding the UBS litigation. Do you</p> <p>24 remember that conversation?</p> <p>25 <b>A Yes.</b></p>
<p>166</p> <p>1 Q Any other reason?</p> <p>2 <b>A No.</b></p> <p>3 Q On advice of your personal counsel?</p> <p>4 MS. SMITH: Objection.</p> <p>5 I'm going to caution you not to divulge</p> <p>6 any privileged information.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q Just which attorney?</p> <p>9 <b>A On advice of my attorneys here today.</b></p> <p>10 Q Okay. And you agree that you -- your</p> <p>11 resignation took effect June 25th, 2021, as it</p> <p>12 says here?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 <b>A I believe that's right.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q Did anybody other than your counsel</p> <p>17 suggest that you resign?</p> <p>18 <b>A No.</b></p> <p>19 Q Did you ask anybody other than your</p> <p>20 counsel if you should resign?</p> <p>21 <b>A Not that I recall.</b></p> <p>22 Q Did you communicate your resignation to</p> <p>23 anybody but Mr. Kenny and Mr. McDonald?</p> <p>24 MS. SMITH: Objection.</p> <p>25 I'm going to caution you not to divulge</p>	<p>168</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q And does this e-mail chain reflect the</p> <p>4 type of analysis that you mentioned?</p> <p>5 <b>A I believe it does, yes.</b></p> <p>6 Q Is there some different type of analysis</p> <p>7 that you were thinking about this morning when you</p> <p>8 talked about the analysis that the actuary would</p> <p>9 provide?</p> <p>10 <b>A No. There was one actuarial analysis.</b></p> <p>11 Q I'm looking at the chart here on the first</p> <p>12 page of this e-mail. So Mr. Kemp, that's your</p> <p>13 auditor, right, at -- not your, that was</p> <p>14 Sentinel's auditor at Crowe Cayman; is that right?</p> <p>15 <b>A At the time, yes.</b></p> <p>16 Q At the time. And he's writing to</p> <p>17 Mr. Leventon and he says that: The actuary has</p> <p>18 provided the following table with the likely</p> <p>19 outcomes of the case.</p> <p>20 Do you understand that to mean the UBS</p> <p>21 case?</p> <p>22 <b>A Yes, I do.</b></p> <p>23 Q And then: Per your report, you have</p> <p>24 agreed that these estimates are reasonable.</p> <p>25 Is it your understanding that Mr. Leventon</p>

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<p>169</p> <p>1 would be required to review the actuary's report 2 and provide his assessment as to whether these 3 estimates were reasonable? 4 <b>A Required by who?</b> 5 Q Required by Sentinel. 6 MS. SMITH: Objection to form. 7 <b>A He was never -- he was never required to</b> 8 <b>do anything, but he knew the case so he would</b> 9 <b>opine on the potential -- any updates with the</b> 10 <b>trial, all that stuff.</b> 11 <b>BY MS. TOMKOWIAK:</b> 12 Q During your time on the Sentinel board, 13 did you have regular communications with 14 Highland's counsel regarding the UBS litigation? 15 <b>A About once a year.</b> 16 Q What type of format? Was that like a 17 formal meeting or informally? 18 <b>A It was generally around the time that we</b> 19 <b>had to meet with the actuary.</b> 20 Q And was that the -- would the full board 21 meet with UBS? I'm sorry, would the full board 22 meet with Highland's counsel? 23 <b>A No.</b> 24 Q Just you? 25 <b>A Myself, generally a representative from</b></p>	<p>171</p> <p>1 <b>afterwards and they reviewed -- they would review</b> 2 <b>the report and if they had questions, they were</b> 3 <b>allowed to reach out to Mr. Stubbs and whoever.</b> 4 Q And on this chart here it says Expected 5 Payout in the column to the right. Do you see 6 that? 7 <b>A I do.</b> 8 Q And that was referring to Sentinel's 9 expected payout, right? 10 <b>A That's right.</b> 11 Q And if you go -- middle of the chart, it 12 says: Outcome, Phase 1 decision affirmed. 13 You understand that to mean the Phase 1 14 decision in the UBS trial in state court? 15 <b>A Yes.</b> 16 Q Plaintiff awarded substantial portion of 17 Synthetic Warehouse Losses, and there's a 18 probability, 20 percent, and expected payout, 91. 19 What do you understand that to mean? 20 <b>A Which part, the percentage or the 91?</b> 21 Q The 91. 22 <b>A That was the full limit of the policy.</b> 23 Q So if UBS was awarded a substantial 24 portion of its losses, you expected that Sentinel 25 would pay out the full amount of its policy?</p>
<p>170</p> <p>1 <b>Beecher Carlson, Mr. Stubbs and Mr. Leventon.</b> 2 Q Anybody else? 3 <b>A Not that I recall.</b> 4 Q Mr. Ellington? 5 <b>A No.</b> 6 Q Mr. Dondero? 7 <b>A No.</b> 8 Q And what did you discuss during those 9 meetings? 10 MS. SMITH: I'm going to caution you not 11 to divulge any privileged information. 12 <b>A It was just generally any update on the</b> 13 <b>litigation, the trial and kind of Mr. Leventon's</b> 14 <b>thoughts on likely outcomes.</b> 15 <b>BY MS. TOMKOWIAK:</b> 16 Q Why did Sentinel want to be kept up to 17 date on the trial? 18 <b>A You have to -- this actuarial analysis has</b> 19 <b>to be done by -- mandated by CIMA, as part of the</b> 20 <b>year-end audit.</b> 21 Q Did you report on those meetings, did you 22 go back and report to the independent directors 23 what you discussed with Mr. Leventon and Beecher 24 Carlson at those meetings? 25 <b>A Yes. They would see the work product</b></p>	<p>172</p> <p>1 MS. SMITH: Objection to form. 2 <b>A That's what this says, yeah.</b> 3 <b>BY MS. TOMKOWIAK:</b> 4 Q Did you agree with this? 5 <b>A With the probabilities or --</b> 6 Q No, with the conclusion. 7 <b>A Yeah. It was always -- there was always a</b> 8 <b>chance that the full policy would pay out, yes.</b> 9 Q Were you aware that UBS made multiple 10 payment demand letters to the insureds under the 11 fund after they obtained the \$1 billion judgment 12 in the case? 13 <b>A The 1 million --</b> 14 Q One -- if I said 1 million, I misspoke. 15 Sorry, the \$1 billion judgment in the case. 16 <b>A Sorry. I wanted to make sure we're</b> 17 <b>talking about the same thing. I was not aware of</b> 18 <b>that, no.</b> 19 Q Do you know who drafted the ATE policy? 20 <b>A I don't.</b> 21 Q Was it already in place by the time you 22 became a director of Sentinel? 23 <b>A Yes.</b> 24 Q Do you know who negotiated the policy on 25 behalf of Sentinel?</p>

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<p>173</p> <p>1 <b>A I don't.</b></p> <p>2 Q Do you know who negotiated the policy on</p> <p>3 behalf of the insureds?</p> <p>4 <b>A I don't.</b></p> <p>5 Q Do you know what diligence Sentinel did</p> <p>6 before the policy was entered into?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 <b>A I don't.</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Did you ask when you became a director?</p> <p>11 <b>A Did I ask what diligence had been done?</b></p> <p>12 Q Yes.</p> <p>13 <b>A No, it was already in place, so I didn't</b></p> <p>14 <b>think to -- think to look back like that.</b></p> <p>15 Q After becoming a director and prior to the</p> <p>16 actual trial, did anybody at Highland tell you</p> <p>17 that they had concluded that the insureds were</p> <p>18 likely to be found liable to UBS?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A I don't recall specifically. Again, I</b></p> <p>21 <b>think it's always -- was always a chance.</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q All right. But there's a difference</p> <p>24 between always a chance and more likely than not.</p> <p>25 So you don't recall anybody saying that it was</p>	<p>175</p> <p>1 between the parties?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>A I don't believe so.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q You don't believe so?</p> <p>6 <b>A I don't believe Sentinel had the right to</b></p> <p>7 <b>approve any settlement.</b></p> <p>8 Q So you believe that the insureds could</p> <p>9 have settled the UBS matter for any amount that</p> <p>10 they wanted to and then required Sentinel to pay</p> <p>11 that amount to UBS on their behalf?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 <b>A I'm not following. I'm sorry.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q So you believe -- so there were -- there</p> <p>16 were funds that were insured under the policy,</p> <p>17 right?</p> <p>18 <b>A That's correct.</b></p> <p>19 Q And they were defendants in the UBS</p> <p>20 litigation?</p> <p>21 <b>A That's correct.</b></p> <p>22 Q And you believe that they could have gone</p> <p>23 to UBS, settled the matter for any amount that</p> <p>24 they wanted to and then asked Sentinel to pay that</p> <p>25 to UBS?</p>
<p>174</p> <p>1 more likely than not that UBS would win the trial?</p> <p>2 <b>A No.</b></p> <p>3 Q If somebody had reached that conclusion at</p> <p>4 trial, would you have wanted to know that in your</p> <p>5 capacity as a director of Sentinel?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>A I guess it would be good information to</b></p> <p>8 <b>have.</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Did you ever ask anybody to give you an</p> <p>11 opinion on that?</p> <p>12 <b>A No.</b></p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Given Sentinel's potential obligation,</p> <p>16 would you have expected that Sentinel would have</p> <p>17 been invited to participate in any settlement</p> <p>18 discussions between the parties in the UBS case?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A I have no idea. I was not involved in any</b></p> <p>21 <b>settlement discussions with UBS.</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q Given Sentinel's potential obligation to</p> <p>24 fund any settlement, would you have expected that</p> <p>25 Sentinel would need to approve any settlement</p>	<p>176</p> <p>1 MS. SMITH: Objection to form, calls for a</p> <p>2 legal conclusion.</p> <p>3 <b>A Yeah, I can't -- I can't make that</b></p> <p>4 <b>conclusion. I don't know.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q That's not -- I'm not asking you for a</p> <p>7 legal conclusion because you're not a lawyer. I'm</p> <p>8 asking for you as a director of Sentinel, was it</p> <p>9 your understanding that the insureds under the</p> <p>10 policy did not need Sentinel's approval for a</p> <p>11 settlement?</p> <p>12 <b>A That's right.</b></p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q So they could have settled the matter with</p> <p>16 UBS, gone to Sentinel and say, hey, we settled</p> <p>17 this matter for \$50, pay UBS \$50, and that would</p> <p>18 have been okay?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A I follow now. And, yes, I think that</b></p> <p>21 <b>would have been okay.</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q Is your answer qualified at all by the</p> <p>24 limits of the policy or are you --</p> <p>25 <b>A Well, sure. It wouldn't be anything</b></p>

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<p style="text-align: right;">177</p> <p>1 <b>above -- you couldn't settle for more than the</b>  2 <b>policy was for and expect Sentinel to pay anything</b>  3 <b>above that.</b>  4 Q But if they had settled for policy limits  5 or less, they would have had a reasonable  6 expectation that Sentinel would pay that?  7 MS. SMITH: Objection to form.  8 <b>A I believe so.</b>  9 <b>BY MS. TOMKOWIAK:</b>  10 Q You received a subpoena to produce  11 documents in connection with this matter, right?  12 <b>A That's correct.</b>  13 Q What did you do to identify documents  14 responsive to that subpoena?  15 <b>A I searched my e-mails.</b>  16 Q Which e-mails?  17 <b>A Wait, no, I didn't. I was thinking</b>  18 <b>Highland. I didn't have my Highland e-mail</b>  19 <b>anymore. I searched my personal e-mail. I</b>  20 <b>searched the papers I took from my desk when I</b>  21 <b>left and that was about all I had.</b>  22 Q What about your SAS Management e-mail?  23 <b>A I no longer had access to it.</b>  24 Q Did you check to see if you had access to  25 it?</p>	<p style="text-align: right;">179</p> <p>1 you found -- everything that found that hit upon a  2 search term or everything you found that you  3 thought might be responsive?  4 <b>A Both.</b>  5 Q What search terms did you use?  6 <b>A Sentinel, reinsurance. I think that was</b>  7 <b>about it.</b>  8 Q In your capacity as a director of  9 Sentinel, was there a particular place that you  10 kept documents related to Sentinel?  11 <b>A Like papers or actual electronic</b>  12 <b>documents? What do you mean?</b>  13 Q Let's start with paper. So did you have a  14 particular filing cabinet or shelf or drawer or  15 anything like that that you had for Sentinel  16 papers?  17 <b>A No. My desk was, you know, relatively</b>  18 <b>messy. Sometimes I would leave stuff on my desk,</b>  19 <b>but I generally didn't save much in the way of</b>  20 <b>Sentinel-related documents.</b>  21 Q What about electronically? Did you have a  22 specific folder or place that you would keep  23 Sentinel documents?  24 <b>A I did.</b>  25 Q Where was that?</p>
<p style="text-align: right;">178</p> <p>1 <b>A It popped up as logged out of my phone one</b>  2 <b>day and I could never get back in.</b>  3 Q Do you have a personal computer?  4 <b>A I do not.</b>  5 Q Did you check your phone?  6 <b>A I did.</b>  7 Q Did you check your text messages?  8 <b>A I did.</b>  9 Q Did you look to see if you still had your  10 notebooks?  11 <b>A I did.</b>  12 Q Okay.  13 <b>A I have one notebook that I still use today</b>  14 <b>and there was nothing in there Sentinel related.</b>  15 Q Okay. When you searched your e-mail, did  16 you use search terms or how did you try to find  17 documents responsive to the subpoena?  18 <b>A I used search terms and then just kind of</b>  19 <b>scanned to see if anything might have fallen</b>  20 <b>through.</b>  21 Q So you made the decision whether or not  22 something -- a document was responsive to the  23 subpoena?  24 <b>A No. Everything I found I sent to counsel.</b>  25 Q Got it. And just to clarify, everything</p>	<p style="text-align: right;">180</p> <p>1 <b>A It was on my computer.</b>  2 Q On your Highland computer?  3 <b>A It was, yeah.</b>  4 Q Was that on -- where was the folder?  5 <b>A There was a folder on my desktop of -- I</b>  6 <b>had a tablet that was stolen out of my car in</b>  7 <b>September of 2020, along with a notebook and a box</b>  8 <b>of wine. And from then on, I -- yeah, there</b>  9 <b>wasn't much going on Sentinel related, so I don't</b>  10 <b>know that I had anything on my -- the new computer</b>  11 <b>I got. And I have a few documents on my current</b>  12 <b>computer that I produced to counsel.</b>  13 Q A box of wine or a case of wine?  14 <b>A Box, two bottles. Just came in the mail.</b>  15 Q Gotcha. And the folder that was on your  16 tablet that was stolen, that was something that  17 was only on the hard drive?  18 <b>A Yes.</b>  19 Q Okay. So it wasn't backed up somewhere in  20 the --  21 <b>A I saved -- bad habit. I save everything</b>  22 <b>on my desktop generally.</b>  23 Q And to your knowledge that wasn't backed  24 up anywhere on Highland's servers?  25 <b>A I don't think so.</b></p>

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<p>181</p> <p>1 Q What about in your Highland e-mail? Did</p> <p>2 you have a folder for Sentinel?</p> <p>3 <b>A I don't believe so.</b></p> <p>4 Q What about in your SAS e-mail? Did you</p> <p>5 have a folder for Sentinel?</p> <p>6 <b>A I don't think so. I don't really file</b></p> <p>7 <b>much.</b></p> <p>8 Q I'm handing you what we have previously</p> <p>9 marked as Exhibit 58.</p> <p>10 <b>A Do you want me to review the whole thing?</b></p> <p>11 Q You can if you want to, but this is one of</p> <p>12 the documents that you provided to us, right?</p> <p>13 <b>A Yeah.</b></p> <p>14 Q Okay. Are you familiar with it?</p> <p>15 <b>A I know what it is, yes.</b></p> <p>16 Q I'm going to let your attorney find her</p> <p>17 copy if she would like to, before I ask you other</p> <p>18 questions about it.</p> <p>19 <b>A May I run to the restroom real quick</b></p> <p>20 <b>before we do this? Is that okay? Sorry.</b></p> <p>21 Q Yeah. Take a break.</p> <p>22 <b>A Sorry.</b></p> <p>23 Q That's okay.</p> <p>24 THE VIDEOGRAPHER: Off the record at</p> <p>25 2:20 p.m.</p>	<p>183</p> <p>1 <b>A I don't think so.</b></p> <p>2 Q I don't want to know any conversations</p> <p>3 with counsel, but other than that, do you know if</p> <p>4 Mr. Ellington is aware that you have resigned from</p> <p>5 the board of Sentinel?</p> <p>6 <b>A I don't know.</b></p> <p>7 Q Were the other Sentinel directors</p> <p>8 compensated for the work that they did with</p> <p>9 Sentinel?</p> <p>10 <b>A Yes.</b></p> <p>11 Q Do you know how much?</p> <p>12 <b>A Each -- I think they were each paid about</b></p> <p>13 <b>\$10,000 a year.</b></p> <p>14 Q Did you --</p> <p>15 <b>A Give or take. It's in that ballpark.</b></p> <p>16 Q Did you ever ask to be compensated for</p> <p>17 your work as a director at Sentinel?</p> <p>18 <b>A No.</b></p> <p>19 Q Why not?</p> <p>20 <b>A Never thought to.</b></p> <p>21 Q And I think you said this, but I want to</p> <p>22 be clear. In the time that you were a director at</p> <p>23 Sentinel, the claim that was made on the</p> <p>24 ATE policy with respect to the UBS litigation was</p> <p>25 the only claim made on a Sentinel insurance policy</p>
<p>182</p> <p>1 (Recess taken from 2:20 p.m. CDT to</p> <p>2 2:36 p.m. CDT)</p> <p>3 THE VIDEOGRAPHER: The time is 2:36 p.m.</p> <p>4 We are back on the record.</p> <p>5 BY MS. TOMKOWIAK:</p> <p>6 Q Before we get to that exhibit, I have a</p> <p>7 few follow-up questions on some of the things that</p> <p>8 we were talking about before the break. You said</p> <p>9 earlier that Mr. Sevilla had some role in the</p> <p>10 day-to-day with Sentinel. What was that role?</p> <p>11 <b>A I think it was kind of an unofficial --</b></p> <p>12 <b>like he was the point person, I guess, for things</b></p> <p>13 <b>that had to happen with Sentinel. I don't know</b></p> <p>14 <b>exactly what, but --</b></p> <p>15 Q Do you know how he got that role?</p> <p>16 <b>A I think he was -- he helped with the</b></p> <p>17 <b>formation, as I understand it. He was part of the</b></p> <p>18 <b>team.</b></p> <p>19 Q Do you know who asked him to do that?</p> <p>20 <b>A I don't.</b></p> <p>21 Q Before you resigned from the Sentinel</p> <p>22 board, did you tell Mr. Ellington that you were</p> <p>23 going to do it?</p> <p>24 <b>A I don't recall if I told him or not.</b></p> <p>25 Q Did you tell him afterwards?</p>	<p>184</p> <p>1 that you're aware of?</p> <p>2 <b>A That's correct.</b></p> <p>3 Q So if you look at Exhibit 58. This is a</p> <p>4 document that you found when you were searching</p> <p>5 through your files; is that right?</p> <p>6 <b>A I believe so.</b></p> <p>7 Q Was this a hard copy or an electronic</p> <p>8 copy?</p> <p>9 <b>A I believe an electronic copy.</b></p> <p>10 Q So you had it in your e-mail?</p> <p>11 <b>A I think so.</b></p> <p>12 Q And this is the policy that we've been</p> <p>13 talking about today, right?</p> <p>14 <b>A I believe it is, yes.</b></p> <p>15 Q Okay. Again, you're not aware of any</p> <p>16 other policy that Sentinel wrote that relates to</p> <p>17 the UBS litigation, right?</p> <p>18 <b>A No, but I haven't looked at every single</b></p> <p>19 <b>page so far, but I believe it is, yeah.</b></p> <p>20 Q Why don't you take a minute to look at it</p> <p>21 because I'd like to know if you believe that this</p> <p>22 is a full and complete version of the ATE policy</p> <p>23 with all of the endorsements that you are aware</p> <p>24 of.</p> <p>25 <b>A Okay.</b></p>

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<p>1 (Witness reviews document.)</p> <p>2 <b>A Okay.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Is this a full and complete version of the</p> <p>5 ATE policy?</p> <p>6 <b>A To the best of my knowledge, it is.</b></p> <p>7 Q Are you aware of any other endorsements to</p> <p>8 this policy?</p> <p>9 <b>A I'm not.</b></p> <p>10 Q And you -- I asked you if you found this</p> <p>11 in your e-mail and you said you believe so. Was</p> <p>12 there a cover e-mail? Was this an attachment to</p> <p>13 an e-mail?</p> <p>14 MS. SMITH: Objection.</p> <p>15 I'm going to caution you not to divulge</p> <p>16 any privileged communications with counsel.</p> <p>17 <b>A It was an attachment.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Okay. Did you provide the cover e-mail to</p> <p>20 your counsel?</p> <p>21 <b>A What do you mean by cover e-mail?</b></p> <p>22 Q Well, if it was an attachment to an</p> <p>23 e-mail, did you provide the e-mail and the</p> <p>24 attachment to your counsel?</p> <p>25 <b>A Did I send the -- like did I write the</b></p>	<p>185</p> <p>1 outline. Page 26.</p> <p>2 <b>A Bates 26?</b></p> <p>3 Q Yes.</p> <p>4 <b>A Okay. I'm there.</b></p> <p>5 Q You're with the lingo now.</p> <p>6 <b>A I'm getting there.</b></p> <p>7 Q So this schedule it says: Date of</p> <p>8 commencement of Period of Insurance, August 1st,</p> <p>9 2017?</p> <p>10 <b>A That's what it says.</b></p> <p>11 Q What is your understanding of the status</p> <p>12 of the UBS litigation as of August 1st, 2017?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A This would be -- I wasn't really aware of</b></p> <p>15 <b>it in August of 2017.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Did you have -- you said you sat in the</p> <p>18 legal department, right?</p> <p>19 <b>A That's right.</b></p> <p>20 Q Okay. Were you generally aware that</p> <p>21 Highland was engaged in litigation with UBS in</p> <p>22 August 2017?</p> <p>23 <b>A I don't recall, but Highland was engaged</b></p> <p>24 <b>in litigation with a lot of people. So you'd hear</b></p> <p>25 <b>a lot of different cases, I guess.</b></p> <p>187</p>
<p>1 <b>e-mail, in other words?</b></p> <p>2 Q No. So when I think of a cover e-mail, if</p> <p>3 I send my colleague this document as an attachment</p> <p>4 to an e-mail, then the e-mail sending it to my</p> <p>5 colleague would be the cover e-mail. So when you</p> <p>6 went -- if you found this in your e-mails, was</p> <p>7 this attached to a particular e-mail</p> <p>8 communication?</p> <p>9 MS. SMITH: Objection.</p> <p>10 I'm going to caution you not to divulge</p> <p>11 privileged information.</p> <p>12 We did provide a privilege log.</p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q Let me ask it this way. When you went</p> <p>15 through your e-mails and you identified</p> <p>16 responsive -- potentially responsive materials,</p> <p>17 did you separate e-mails from attachments or did</p> <p>18 you just give everything to your attorneys?</p> <p>19 <b>A I provided everything to counsel.</b></p> <p>20 Q Okay. I believe you testified earlier</p> <p>21 that you don't know who drafted this policy?</p> <p>22 <b>A Yeah, that's correct.</b></p> <p>23 Q And if you look at the schedule, which I</p> <p>24 believe is on page 18 -- no, I'm wrong. I'm way</p> <p>25 off. That must have been a note from a different</p> <p>186</p>	<p>1 Q The UBS litigation was one of the biggest</p> <p>2 ones, but you don't recall that being discussed</p> <p>3 particularly within the Highland legal department?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 <b>A I don't have any specific recollections of</b></p> <p>6 <b>UBS being discussed in August of 2017.</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q Do you recall when the first -- when is</p> <p>9 the first time you have a specific recollection of</p> <p>10 the UBS litigation being discussed?</p> <p>11 <b>A I think after I was appointed to the board</b></p> <p>12 <b>or I came on the board --</b></p> <p>13 Q How soon --</p> <p>14 <b>A -- of Sentinel.</b></p> <p>15 Q I'm sorry. Were you done?</p> <p>16 <b>A The board of Sentinel, sorry.</b></p> <p>17 Q How soon after you came on the board of</p> <p>18 Sentinel were you provided with a copy of this</p> <p>19 policy?</p> <p>20 <b>A I don't know specific dates. I'm going</b></p> <p>21 <b>to -- yeah, I don't know.</b></p> <p>22 Q Do you believe it was shortly thereafter?</p> <p>23 Months thereafter?</p> <p>24 <b>A I would say within a few months.</b></p> <p>25 Q Who provided you with a copy of the</p> <p>188</p>



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<p>1 policy?</p> <p>2 <b>A Probably -- I don't know, actually.</b></p> <p>3 Q Was it somebody at Highland?</p> <p>4 <b>A It probably would have been Beecher</b></p> <p>5 <b>Carlson.</b></p> <p>6 Q Do you remember the context in which you</p> <p>7 were being -- in which you were provided with a</p> <p>8 copy of the policy?</p> <p>9 <b>A I think when I came on board, I was</b></p> <p>10 <b>provided several documents from Beecher at some</b></p> <p>11 <b>point about what the company is, what it does,</b></p> <p>12 <b>that sort of thing, the operations, the financial</b></p> <p>13 <b>statements.</b></p> <p>14 Q If I wanted to find Sentinel's financial</p> <p>15 statements through the present, who would I ask?</p> <p>16 <b>A The last -- like last completed set of</b></p> <p>17 <b>financials was last year, so Beecher Carlson would</b></p> <p>18 <b>probably --</b></p> <p>19 Q Beecher Carlson is the one who would keep</p> <p>20 those?</p> <p>21 <b>A That's right.</b></p> <p>22 Q Okay. And the legal action listed here,</p> <p>23 it's a very long caption, but you understand that</p> <p>24 to be the litigation between UBS and the Highland</p> <p>25 entities listed here, in New York State court?</p>	189	<p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Do you know if Sentinel had any other</p> <p>3 policies that provided anywhere close to</p> <p>4 \$100 million in coverage?</p> <p>5 <b>A I don't know.</b></p> <p>6 Q Can you think of any, sitting here today?</p> <p>7 <b>A I can't think of any.</b></p> <p>8 Q Do you think in your capacity as a</p> <p>9 director of Sentinel if there was another</p> <p>10 insurance policy that had \$100 million coverage,</p> <p>11 you would be aware of it?</p> <p>12 <b>A Probably.</b></p> <p>13 Q More likely than not?</p> <p>14 <b>A More likely than not, yes.</b></p> <p>15 Q And do you see the Premium is \$25 million?</p> <p>16 <b>A I do.</b></p> <p>17 Q Do you know who determined that?</p> <p>18 <b>A I do not.</b></p> <p>19 Q And on the insurance page to the left --</p> <p>20 I'm sorry, on the signature page to the left.</p> <p>21 <b>A Yes.</b></p> <p>22 Q That's Mr. Dondero's signature on behalf</p> <p>23 of the insureds; is that right?</p> <p>24 <b>A It appears to be.</b></p> <p>25 Q And I see that it says Andrew Dean,</p>	191
<p>1 <b>A As best -- yeah, that's my understanding.</b></p> <p>2 Q And the Court says Supreme Court of the</p> <p>3 State of New York, County of New York?</p> <p>4 <b>A That's right.</b></p> <p>5 Q And there's three funds here that are</p> <p>6 listed as the insureds, right?</p> <p>7 <b>A That's right.</b></p> <p>8 Q And that's consistent with your</p> <p>9 understanding of which entities were insured under</p> <p>10 this policy?</p> <p>11 <b>A That's right.</b></p> <p>12 Q And the Limit of Indemnity is 100 million.</p> <p>13 Do you see that?</p> <p>14 <b>A I do.</b></p> <p>15 Q Do you know how that legal liability --</p> <p>16 I'm sorry. Do you know how that limit of</p> <p>17 indemnity was selected?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A I don't. I wasn't involved with the</b></p> <p>20 <b>transaction.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q Do you know who made that decision?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 <b>A I don't.</b></p> <p>25</p>	190	<p>1 director. Do you know whether, in fact, that's</p> <p>2 Mr. Dean's signature?</p> <p>3 <b>A I don't know whether or not it is, but...</b></p> <p>4 Q I take it you have no reason to believe</p> <p>5 it's not, but you don't know?</p> <p>6 <b>A I have no reason to believe it's not, no.</b></p> <p>7 Q Okay. Is that your signature? I mean,</p> <p>8 I'm sorry, is that your handwriting, writing in</p> <p>9 the date at the top?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 <b>A No, it's not.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q Do you know whose it is?</p> <p>14 <b>A I don't.</b></p> <p>15 Q And do you know the significance of this</p> <p>16 Cayman Islands stamp at the bottom?</p> <p>17 <b>A Just what it says. It's a government</b></p> <p>18 <b>stamp, but nothing further.</b></p> <p>19 Q Do you know if this policy was mailed to</p> <p>20 someone specifically in the Caymans?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A I know it was ultimately approved by CIMA,</b></p> <p>23 <b>but I'm not sure if that came via paper copy,</b></p> <p>24 <b>electronic copy.</b></p> <p>25</p>	192

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<p>193</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q So do you believe that this stamp is from</p> <p>3 CIMA?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 A I don't know.</p> <p>6 BY MS. TOMKOWIAK:</p> <p>7 Q And that's all I'm trying to understand.</p> <p>8 You don't know what this means?</p> <p>9 A I've never seen that stamp before. I</p> <p>10 don't know what it means.</p> <p>11 Q Well, other than on this document that you</p> <p>12 have, you mean you've never seen this stamp</p> <p>13 outside of this document?</p> <p>14 A This stamp doesn't look like anything I've</p> <p>15 ever seen anywhere before, is all I'm saying.</p> <p>16 Q Okay. So you don't recall seeing it at</p> <p>17 the time that you got this policy?</p> <p>18 A I wasn't -- like when I received a copy of</p> <p>19 the policy?</p> <p>20 Q Yeah.</p> <p>21 A I'm sure it was on there, but...</p> <p>22 Q There's no question in your mind that this</p> <p>23 policy was meant to provide the insureds with</p> <p>24 coverage in the event that they incurred liability</p> <p>25 to UBS in the New York State court action, right?</p>	<p>195</p> <p>1 this 2017 year-end audit, so early 2018 or first</p> <p>2 half of 2018.</p> <p>3 Q And how did it -- how would it have come</p> <p>4 up in the audit?</p> <p>5 A The assets that were transferred over --</p> <p>6 or as part of the ATE policy, needed to be valued</p> <p>7 by a third party to perform the valuations.</p> <p>8 Again, this is -- I think the auditors demanded</p> <p>9 it, possibly Beecher as well. But when the</p> <p>10 third-party valuations came back, they were higher</p> <p>11 than 25 million, so the premium was adjusted</p> <p>12 accordingly.</p> <p>13 Q Who made the decision to adjust the</p> <p>14 premium?</p> <p>15 A It would have been between Beecher Carlson</p> <p>16 and the auditors. Beecher prepares the financial</p> <p>17 statements.</p> <p>18 Q Did the insureds provide any additional</p> <p>19 consideration in the form of assets or cash, to</p> <p>20 account for the increased premium?</p> <p>21 A No. The -- no.</p> <p>22 Q Do you recall who did the valuation?</p> <p>23 A The third-party valuation was a company</p> <p>24 called Valuation Research Corp. or corporation,</p> <p>25 VRC we refer to them as.</p>
<p>194</p> <p>1 MS. SMITH: Objection to form.</p> <p>2 A Would you mind rephrasing?</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Is there something that you didn't</p> <p>5 understand about the question?</p> <p>6 A It was more of a statement than a</p> <p>7 question, to me.</p> <p>8 Q Okay. I'm asking you if you -- was there</p> <p>9 any question in your mind that this policy was</p> <p>10 meant to provide the funds listed as the insureds</p> <p>11 with insurance coverage in the event that they</p> <p>12 incurred liability to UBS?</p> <p>13 A There was --</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 A No. It's a real policy, if that's what</p> <p>16 you're asking.</p> <p>17 BY MS. TOMKOWIAK:</p> <p>18 Q If you look at the Endorsement No. 1,</p> <p>19 which is Bates 27.</p> <p>20 A Yes.</p> <p>21 Q Do you know when this endorsement --</p> <p>22 there's no date on it. Do you know when this</p> <p>23 endorsement was added to the policy?</p> <p>24 A This would have been part of -- I don't</p> <p>25 know exactly when, but would have come up during</p>	<p>196</p> <p>1 Q Did you receive a copy of that valuation?</p> <p>2 A I would have, yeah.</p> <p>3 Q Is that something that you looked for to</p> <p>4 respond to the subpoena?</p> <p>5 A It would have been in my SAS e-mail that I</p> <p>6 no longer have access to.</p> <p>7 THE REPORTER: Repeat that.</p> <p>8 A It would have been in my SAS e-mail that I</p> <p>9 no longer have access to. Excuse me. They would</p> <p>10 have been. There are multiple valuations from</p> <p>11 multiple securities.</p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q When you say there are multiple</p> <p>14 valuations, was there -- were they in a single</p> <p>15 report? Did you receive multiple reports?</p> <p>16 A There was a report for each security.</p> <p>17 Q Do you recall approximately how many</p> <p>18 reports you received?</p> <p>19 A Maybe tenish.</p> <p>20 Q Okay. So to the best of your knowledge,</p> <p>21 this endorsement would have been executed sometime</p> <p>22 in early 2018; is that what you're saying?</p> <p>23 A I would think so.</p> <p>24 Q And to the best of your recollection,</p> <p>25 Ms. Thompson was authorized to sign on Sentinel's</p>

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<p>197</p> <p>1 behalf at this time?</p> <p>2 MS. SMITH: Objection, form, calls for a</p> <p>3 legal conclusion.</p> <p>4 <b>A If she were still on the board, then yes.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q Okay. And you just don't recall when</p> <p>7 Ms. Thompson was on the board?</p> <p>8 <b>A I don't remember when she resigned from</b></p> <p>9 <b>the board.</b></p> <p>10 Q Do you know why she resigned from the</p> <p>11 board?</p> <p>12 <b>A I don't.</b></p> <p>13 Q So she didn't tell you?</p> <p>14 <b>A I don't remember being given a reason.</b></p> <p>15 Q Did you think Ms. Thompson was good at her</p> <p>16 job?</p> <p>17 <b>A In my limited interactions, yeah, she was</b></p> <p>18 <b>competent.</b></p> <p>19 Q It says here that the premium received</p> <p>20 consists of cash of 11 million and change, and</p> <p>21 then miscellaneous receivables of 1.75 million,</p> <p>22 approximately. Do you know what the miscellaneous</p> <p>23 receivables refers to?</p> <p>24 <b>A I don't remember anything adding up to</b></p> <p>25 <b>that number. The only one I do remember was a</b></p>	<p>199</p> <p>1 Q And then with respect to the investment</p> <p>2 portfolio of 55.5, approximately, we'll look at</p> <p>3 the specific assets, but generally what do you</p> <p>4 recall that investment portfolio consisted of?</p> <p>5 <b>A It consisted of some CLO positions.</b></p> <p>6 <b>Sentinel already had several CLO positions from</b></p> <p>7 <b>several years prior so they were already on the</b></p> <p>8 <b>balance sheet. But there was some new CLOs.</b></p> <p>9 <b>There were some publicly traded equities, stocks</b></p> <p>10 <b>and an interest in Multi Strat, Highland</b></p> <p>11 <b>Multi Strat, I would assume as part of this</b></p> <p>12 <b>number.</b></p> <p>13 Q So as part of the assets that were paid to</p> <p>14 satisfy the premium, you understood that there was</p> <p>15 an interest in Multi Strat that had some value</p> <p>16 that would be included in this investment</p> <p>17 portfolio?</p> <p>18 <b>A I would assume it's part of the investment</b></p> <p>19 <b>portfolio number, yeah.</b></p> <p>20 Q It says here that all other terms and</p> <p>21 conditions remain unchanged.</p> <p>22 Do you take that to mean that, for</p> <p>23 example, the limit of indemnity was not changed?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 <b>A At that time, yes.</b></p>
<p>198</p> <p>1 <b>receivable from the IRS, an income tax receivable,</b></p> <p>2 <b>and that was approximately a half a million</b></p> <p>3 <b>dollars.</b></p> <p>4 Q Do you know if Sentinel ever received</p> <p>5 that?</p> <p>6 <b>A Not in full but in part, yes.</b></p> <p>7 Q Approximately how much of the half a</p> <p>8 million did it receive?</p> <p>9 <b>A 430, 25, 30 grand.</b></p> <p>10 Q Was that because the IRS didn't refund as</p> <p>11 much as was expected?</p> <p>12 <b>A I honestly don't know. It had been on the</b></p> <p>13 <b>books, as I understood it, for quite some time.</b></p> <p>14 <b>The books of whatever fund it came from. I'm not</b></p> <p>15 <b>sure which one it sat on.</b></p> <p>16 Q Okay. Yeah, and I was just trying to</p> <p>17 understand if you knew if that -- if that was</p> <p>18 because the fund received less than it expected or</p> <p>19 the fund paid Sentinel less than Sentinel expected</p> <p>20 to be paid?</p> <p>21 <b>A Oh, it had nothing to do with -- it was</b></p> <p>22 <b>just an asset that was transferred over as part of</b></p> <p>23 <b>the payment for the policy. Whatever -- the IRS</b></p> <p>24 <b>issue would have been with whatever fund it sat</b></p> <p>25 <b>on.</b></p>	<p>200</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q Did you -- were you personally involved in</p> <p>3 this endorsement; do you know?</p> <p>4 <b>A I would have been involved in the audit</b></p> <p>5 <b>and facilitating the valuations that would have</b></p> <p>6 <b>led to this endorsement.</b></p> <p>7 Q Do you know who drafted this endorsement?</p> <p>8 <b>A I do not.</b></p> <p>9 Q Do you know -- even if you don't know the</p> <p>10 person, do you know if it was someone at Beecher</p> <p>11 Carlson, for example?</p> <p>12 <b>A I'm not entirely sure.</b></p> <p>13 Q Would you have reviewed it before</p> <p>14 Ms. Thompson signed it?</p> <p>15 <b>A I would have been aware of what was</b></p> <p>16 <b>happening, yes.</b></p> <p>17 Q But would you have reviewed this</p> <p>18 endorsement specifically?</p> <p>19 <b>A The actual letter? Possibly.</b></p> <p>20 Q Do you recall doing so?</p> <p>21 <b>A Again, I know these numbers, I'm aware of</b></p> <p>22 <b>these numbers. I don't specifically recall</b></p> <p>23 <b>reviewing this exact document.</b></p> <p>24 Q So if the premium has increased by</p> <p>25 approximately 150 percent, why would the amount of</p>

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<p>201</p> <p>1 coverage stay the same?</p> <p>2 <b>A I don't know.</b></p> <p>3 Q Did you ask?</p> <p>4 <b>A I'm sure it came up, but for insurance</b></p> <p>5 <b>matters like that, we generally rely on Beecher,</b></p> <p>6 <b>the insurance manager. So if they didn't say the</b></p> <p>7 <b>policy had to go up or the limit went up, then it</b></p> <p>8 <b>wouldn't have gone up.</b></p> <p>9 Q Do you know if the insureds asked for</p> <p>10 increased coverage based on the increased policy</p> <p>11 amount -- I'm sorry, premium amount?</p> <p>12 <b>A Not that I'm aware of.</b></p> <p>13 Q Do you know why this is not signed by any</p> <p>14 of the insureds?</p> <p>15 <b>A I don't know.</b></p> <p>16 Q Does it seem to you like it should be?</p> <p>17 MS. SMITH: Objection, form, calls for a</p> <p>18 legal conclusion.</p> <p>19 <b>A I'm not sure.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Do you know whether or not they agreed to</p> <p>22 this?</p> <p>23 <b>A The insureds?</b></p> <p>24 Q Yes.</p> <p>25 <b>A I don't know whether or not they agreed.</b></p>	<p>203</p> <p>1 <b>A Not specifically. Again, I think it came</b></p> <p>2 <b>up during an audit and I think Beecher -- since</b></p> <p>3 <b>there was some cash that came over with the policy</b></p> <p>4 <b>that was earmarked for litigation expense, they</b></p> <p>5 <b>decided to enter it on the balance sheet like</b></p> <p>6 <b>this, where -- they call it risk mitigation.</b></p> <p>7 Q So to you risk mitigation meant legal</p> <p>8 expense?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A It was a newly created line on the balance</b></p> <p>11 <b>sheet specifically to cover all litigation-related</b></p> <p>12 <b>costs for the insureds.</b></p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q You said that there was some cash that</p> <p>15 came over the policy that was earmarked for</p> <p>16 litigation expense. Who earmarked it?</p> <p>17 <b>A Again, I believe it was a suggestion by</b></p> <p>18 <b>Beecher Carlson, to move this cash to a certain</b></p> <p>19 <b>bucket on the balance sheet.</b></p> <p>20 Q So Beecher Carlson decided that with</p> <p>21 respect to all of the assets that were used to pay</p> <p>22 the premium on the policy, they would, I'm just</p> <p>23 using your word, earmark 9 million of it to pay</p> <p>24 litigation expenses?</p> <p>25 MS. SMITH: Objection to form.</p>
<p>202</p> <p>1 Q Do you know whether they had to agree?</p> <p>2 MS. SMITH: Objection, form.</p> <p>3 <b>A I don't know.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q With respect to the second endorsement,</p> <p>6 are you familiar with that one?</p> <p>7 <b>A Yes, I am.</b></p> <p>8 Q This one is also undated. Do you know</p> <p>9 approximately when this one would have been</p> <p>10 entered into?</p> <p>11 <b>A I would assume around the same time as</b></p> <p>12 <b>Endorsement No. 1.</b></p> <p>13 Q Why would you say that?</p> <p>14 <b>A They're related.</b></p> <p>15 Q Do you know why there's, then, two</p> <p>16 endorsements instead of just one?</p> <p>17 <b>A I don't know why it's broken out, no.</b></p> <p>18 Q Okay. And why do you say that they were</p> <p>19 related?</p> <p>20 <b>A Because it has to do with the premium</b></p> <p>21 <b>that -- from Endorsement 1, that had obviously</b></p> <p>22 <b>changed from the original premium in the policy.</b></p> <p>23 <b>That's why I would say they're related.</b></p> <p>24 Q So do you recall what led to Endorsement</p> <p>25 No. 2?</p>	<p>204</p> <p>1 <b>A That's my understanding. Could have been</b></p> <p>2 <b>with input from the auditor. I don't know, but...</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q So why did that reduce the premium?</p> <p>5 <b>A My understanding is that that cash amount</b></p> <p>6 <b>was taken away from -- or whatever the amount --</b></p> <p>7 <b>the \$9 million reduced the coverage because part</b></p> <p>8 <b>of the premium was being used -- was being spent</b></p> <p>9 <b>by the insurance company to cover the costs, so it</b></p> <p>10 <b>would reduce the -- dollar for dollar reduce the</b></p> <p>11 <b>limit of the policy.</b></p> <p>12 Q Well, so the original policy was \$25 --</p> <p>13 sorry. That would be a great policy. \$25 million</p> <p>14 premium, right?</p> <p>15 <b>A Uh-huh.</b></p> <p>16 Q For \$100 million worth of coverage?</p> <p>17 <b>A That's right.</b></p> <p>18 Q You agree with me that's not dollar for</p> <p>19 dollar, right?</p> <p>20 <b>A What's not dollar for dollar?</b></p> <p>21 Q You're not paying \$1 for every \$1 of</p> <p>22 coverage, right?</p> <p>23 <b>A Right. That's not what I said before.</b></p> <p>24 Q Okay. Then help me explain. Because what</p> <p>25 I took you to say is that because part of the</p>

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<p>205</p> <p>1 premium, \$9 million of the premium was being used 2 to cover costs. 3 <b>A Right.</b> 4 Q And that coverage amount was going to be 5 reduced dollar by dollar also by \$9 million. 6 <b>A Right.</b> 7 Q So I don't understand why that would be 8 appropriate? 9 MS. SMITH: Objection to form. 10 <b>A My understanding is that since the policy</b> 11 <b>wasn't paid for all cash; in other words, whatever</b> 12 <b>the original 25 million, ideally you'd accept</b> 13 <b>payment in cash for the premium. But since the</b> 14 <b>funds did not have the cash, all their assets were</b> 15 <b>illiquid, junk, not junk, whatever, were</b> 16 <b>contributed as payment for the policy.</b> 17 The cash portion of that -- I believe it's 18 a condition of the policy, but that the insurance 19 company had to pay the ongoing legal expenses for 20 the insureds. So it wouldn't accept cash, spend 21 the cash on their legal expenses and then not 22 reduce the coverage. Otherwise, I think you're 23 getting an extra -- extra dollar's worth of 24 coverage you didn't pay for is my understanding, 25 my interpretation of it.</p>	<p>207</p> <p>1 BY MS. TOMKOWIAK: 2 Q And that Sentinel issued the policy 3 regardless? 4 <b>A That's correct, in exchange for this</b> 5 <b>basket of securities.</b> 6 Q Just so I'm clear, this -- and this does 7 not mean that at this point in time the insureds 8 paid an additional \$9 million? 9 <b>A That's correct.</b> 10 Q It says here that: The insurer will have 11 sole responsibility to settle all risk mitigation 12 costs with respect to legal action. 13 Do you know what that means? 14 MS. SMITH: Objection, form. 15 <b>A My understanding is that the insurer would</b> 16 <b>pay for ongoing costs associated with trial,</b> 17 <b>settlement, whatever.</b> 18 BY MS. TOMKOWIAK: 19 Q So does that mean if those costs exceeded 20 \$9 million, that Sentinel was still on the hook 21 for them? 22 <b>A Yes. My understanding.</b> 23 Q Do you know how much of that \$9 million 24 was paid out during the course of time when you 25 were a director?</p>
<p>206</p> <p>1 BY MS. TOMKOWIAK: 2 Q Is that -- what's that interpretation 3 based on? 4 <b>A Just my experience working through this</b> 5 <b>and whenever it happened with the audit and all</b> 6 <b>the valuations came in.</b> 7 Q So the -- there were other assets that 8 were valued by a third party of having -- let's 9 see. There was 1.75 in miscellaneous receivables, 10 55.5 in an investment portfolio. So wasn't that 11 already more than enough to cover the initial 12 premium? 13 MS. SMITH: Objection to form. 14 <b>A I think this is specific to actual cash,</b> 15 <b>not the other assets that were part of the policy,</b> 16 <b>if that makes sense.</b> 17 BY MS. TOMKOWIAK: 18 Q Actually, it doesn't to me. I mean, so 19 Sentinel did not require \$25 million of cash to be 20 paid in order to issue this policy, right? 21 MS. SMITH: Objection to form. 22 <b>A I don't know what it required at the time,</b> 23 <b>but looking back, I know that the funds did not</b> 24 <b>have \$25 million in cash to pay for it.</b> 25</p>	<p>208</p> <p>1 <b>A Most, if not all. There might be, I don't</b> 2 <b>know, a million bucks left or so. I don't know</b> 3 <b>exactly, but most of it was spent.</b> 4 Q Were you personally involved in dispensing 5 money to cover legal fees? 6 <b>A It would have undergone the same procedure</b> 7 <b>I outlined earlier, where I'd submit it to Beecher</b> 8 <b>Carlson, they would send it to the directors,</b> 9 <b>directors would approve or not approve, ask</b> 10 <b>questions, whatever, and send it back to Beecher</b> 11 <b>and then they would release the wires.</b> 12 Q Okay. So, for example, McKool Smith was 13 one of the attorneys in that litigation, so they 14 would send an invoice to you; is that right? 15 <b>A I would receive them from Isaac generally.</b> 16 Q Okay. So attorneys would send it to 17 Isaac, Isaac would send it to you, you would send 18 it to Beecher, Beecher would send it to the 19 independent directors, they would sign off or not 20 and then how did counsel get paid? 21 <b>A They would have -- I assume a wire. Yeah.</b> 22 Q Do you know how many bank accounts 23 Sentinel has? 24 <b>A One, to my knowledge.</b> 25 Q At what bank?</p>

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<p>209</p> <p>1 <b>A It's at CIBC, Cayman.</b></p> <p>2 Q Is that where all of the cash was kept?</p> <p>3 <b>A Yes.</b></p> <p>4 Q Do you know whether there were any</p> <p>5 litigation expenses or fees that Sentinel denied?</p> <p>6 <b>A I don't remember any being denied, no.</b></p> <p>7 Q Do you know who would review those for</p> <p>8 reasonableness?</p> <p>9 <b>A Well, Isaac would review any legal bill</b></p> <p>10 <b>that came into Highland generally, generally</b></p> <p>11 <b>speaking is my understanding, and then he'd send</b></p> <p>12 <b>it to me. Again, I'd send it to Beecher. The</b></p> <p>13 <b>directors generally had questions about is this</b></p> <p>14 <b>correct, is this market, whatever, and then from</b></p> <p>15 <b>there if they approved, which they did generally,</b></p> <p>16 <b>it would -- then it would get paid.</b></p> <p>17 Q We discussed earlier that the outcome of</p> <p>18 the trial in the New York State action was a</p> <p>19 judgment in favor of UBS for over a billion</p> <p>20 dollars, right?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A That's right.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q And I asked you if the insureds made a</p> <p>25 claim on the policy after that judgment and you</p>	<p>211</p> <p>1 the funds should make a claim on the policy?</p> <p>2 <b>A I don't think so.</b></p> <p>3 Q Why not?</p> <p>4 <b>A Same reason.</b></p> <p>5 Q So you were a Highland employee at the</p> <p>6 same time that you were a Sentinel director,</p> <p>7 right?</p> <p>8 MS. SMITH: Objection, form.</p> <p>9 <b>A Yeah, for the most part.</b></p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Did you think that presented any</p> <p>12 particular conflict of interest for you?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I didn't, no.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q Why not?</p> <p>17 <b>A I was just, you know, doing what I was</b></p> <p>18 <b>asked to do. I had no involvement in any sort of</b></p> <p>19 <b>settlement talks, policy talks with Highland and</b></p> <p>20 <b>UBS, anything like that.</b></p> <p>21 Q Did anybody instruct you to keep the</p> <p>22 Sentinel policy a secret?</p> <p>23 <b>A No.</b></p> <p>24 Q Did anybody instruct you that if -- at</p> <p>25 Highland, that if a claim was made on the policy,</p>
<p>210</p> <p>1 said that you weren't aware; is that fair?</p> <p>2 <b>A Well, they -- the insureds -- one of the</b></p> <p>3 <b>insureds made a claim this spring, but in the</b></p> <p>4 <b>interim in between whenever that was issued and</b></p> <p>5 <b>now, there was no claim that I saw.</b></p> <p>6 Q Do you recall any discussion internally at</p> <p>7 Highland about whether a claim would be made on</p> <p>8 the policy before it was made in the spring of</p> <p>9 this year?</p> <p>10 <b>A No. My only real discussions again were</b></p> <p>11 <b>as part of this actuarial -- about the case</b></p> <p>12 <b>where -- about this actuarial update with Isaac at</b></p> <p>13 <b>the end of the year.</b></p> <p>14 Q So did you ever discuss with Mr. Leventon</p> <p>15 whether or not Highland -- the Highland funds were</p> <p>16 going to make a claim on the Sentinel policy?</p> <p>17 <b>A No.</b></p> <p>18 Q Did you ever suggest to him that they</p> <p>19 should?</p> <p>20 <b>A I don't think so.</b></p> <p>21 Q Why not?</p> <p>22 <b>A I don't know that it was my place to</b></p> <p>23 <b>suggest anyone make a claim or not make a claim</b></p> <p>24 <b>with respect to the policy.</b></p> <p>25 Q Did you ever suggest to Mr. Ellington that</p>	<p>212</p> <p>1 to let them know?</p> <p>2 <b>A No.</b></p> <p>3 Q If the insureds had made a claim on the</p> <p>4 policy in 2019 after the judgment in the UBS</p> <p>5 trial, would you agree that Sentinel would have</p> <p>6 had a duty to assess that claim at that time?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 <b>A To assess it, yes, if a claim was made.</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Did you think it was strange that no one</p> <p>11 made a claim on the policy after they had a</p> <p>12 \$1 billion judgment entered against them?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A My understanding was that it was -- there</b></p> <p>15 <b>was always going to be a Phase 2 to the trial and</b></p> <p>16 <b>that possibly appeal something down the line, so</b></p> <p>17 <b>it wasn't strange to me, no.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Do you understand that after Highland</p> <p>20 filed for bankruptcy, the litigation in that case</p> <p>21 was stayed?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 <b>A Yes.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q And do you understand that after Highland</p>

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<p>213</p> <p>1 was put into bankruptcy, that an independent board 2 of directors was put into place at Highland? 3 <b>A Yes.</b> 4 <b>Q</b> And that occurred around January 2020; is 5 that right? 6 <b>A That sounds right.</b> 7 <b>Q</b> Can you identify who those board members 8 are? 9 <b>A Jim Seery, a gentleman named, I think Russ</b> 10 <b>Nelms and John -- John something. I don't -- the</b> 11 <b>third gentleman's name escapes me unfortunately.</b> 12 <b>John Dubel. John Dubel. Sorry. Getting there.</b> 13 <b>Q</b> Did you have -- did you have any 14 interaction with any of those board members? 15 <b>MS. SMITH: Objection to form.</b> 16 <b>A At what point in time?</b> 17 <b>BY MS. TOMKOWIAK:</b> 18 <b>Q</b> After they became -- between the time that 19 they became appointed in approximately 20 January 2020, to the time that you left Highland 21 in approximately February of 2021. 22 <b>A Very little.</b> 23 <b>Q</b> What do you mean by very little? 24 <b>A I mean, I met Nelms and I believe Seery.</b> 25 <b>I don't know that I ever actually -- I met Dubel</b> </p>	<p>215</p> <p>1 <b>A Not for the remainder of the year, I</b> 2 <b>think. It was 2020, yeah. So I received an</b> 3 <b>e-mail from Greg Demo at the end of the year or</b> 4 <b>early 2021, I don't remember, and that was, I</b> 5 <b>think the only time I -- I don't think in the</b> 6 <b>interim I had any interactions at all.</b> 7 <b>Q</b> Were you aware that the independent board 8 was negotiating a settlement with UBS? 9 <b>A I assumed they were negotiating</b> 10 <b>settlements with any and all creditors of</b> 11 <b>Highland. So UBS would fall under that I guess.</b> 12 <b>Q</b> At any time between January 2020 and your 13 departure from Highland, did you disclose to any 14 members of the independent board that you were 15 aware of an insurance policy that would provide 16 for \$100 million of coverage in connection with 17 the UBS litigation? 18 <b>MS. SMITH: Objection.</b> 19 <b>A No.</b> 20 <b>BY MS. TOMKOWIAK:</b> 21 <b>Q</b> Why not? 22 <b>A Like I said, I had no involvement with any</b> 23 <b>settlement discussions. I barely spoke to the</b> 24 <b>board members at Pachulski. It was not my place,</b> 25 <b>not my -- I was busy with private equity stuff.</b> </p>
<p>214</p> <p>1 <b>as well. Had one meeting about private equity</b> 2 <b>portfolio companies with, I believe Dubel in</b> 3 <b>person and that was the last I believe I ever</b> 4 <b>spoke to him. Never spoke to Mr. Nelms after the</b> 5 <b>one time I met him. And I've only spoken to</b> 6 <b>Mr. Seery prior to when we -- when he terminated</b> 7 <b>me, once or twice about private equity.</b> 8 <b>Q</b> What about counsel for the independent 9 board, the individuals at Pachulski? Did you have 10 any interaction with them? 11 <b>A Initially I was asked to source D&amp;O</b> 12 <b>coverage for the independent board, a task passed</b> 13 <b>to me I think by Mr. Sevilla and I did that. I</b> 14 <b>got a quote and handed it off, and then a few of</b> 15 <b>them came over I, think it was Mr. Pomerantz had</b> 16 <b>the piece of paper in his hand and said who did</b> 17 <b>this and I said I did. And he threw it on my desk</b> 18 <b>and said we don't need it. They were finding</b> 19 <b>coverage elsewhere so...</b> 20 <b>Q</b> So the -- I'm sorry, what was the piece of 21 paper in his hand? 22 <b>A It was a quote, like a D&amp;O insurance</b> 23 <b>quote, something along those lines.</b> 24 <b>Q</b> Did you have any other interactions with 25 anybody at the -- at their firm? </p>	<p>216</p> <p>1 <b>Q</b> So you assumed that they were trying to 2 settle claims with all creditors including UBS, 3 right? 4 <b>A That's right.</b> 5 <b>Q</b> But you didn't think it was relevant to 6 mention, hey, there might be \$100 million worth of 7 insurance coverage available to you to help settle 8 that claim? 9 <b>MS. SMITH: Objection to form.</b> 10 <b>A I wouldn't be involved with any of the</b> 11 <b>settlement discussions. Whoever was most likely</b> 12 <b>would have known.</b> 13 <b>BY MS. TOMKOWIAK:</b> 14 <b>Q</b> Most likely would have known of what? 15 <b>A The policy.</b> 16 <b>Q</b> Do you know who was involved in those 17 settlement discussions? 18 <b>A Not specifically.</b> 19 <b>Q</b> Do you think Mr. Ellington was involved? 20 <b>A I'm sure on some level he was, yeah.</b> 21 <b>Q</b> Do you think Mr. Leventon was involved? 22 <b>A Possibly.</b> 23 <b>Q</b> Do you think Mr. Dondero was involved? 24 <b>MS. SMITH: Objection to form.</b> 25 <b>A I believe he was removed shortly</b> </p>

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<p>217</p> <p>1 <b>thereafter -- or shortly after the board was</b></p> <p>2 <b>appointed, so I doubt it.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Mr. Ellington was aware of the ATE policy,</p> <p>5 right?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>A Yes.</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q So did you assume that he would tell the</p> <p>10 independent board, hey, we might have \$100 million</p> <p>11 worth of insurance coverage to help us settle with</p> <p>12 UBS?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I didn't assume anything. That wasn't my</b></p> <p>15 <b>place.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Did you talk to Mr. Ellington about that?</p> <p>18 <b>A I don't recall doing that.</b></p> <p>19 Q Did you ask him if he intended to inform</p> <p>20 the independent board about the ATE policy?</p> <p>21 <b>A I don't think so.</b></p> <p>22 Q You don't think so because you don't</p> <p>23 remember?</p> <p>24 <b>A I don't think that's a question I would</b></p> <p>25 <b>have asked him.</b></p>	<p>219</p> <p>1 Q In the entire world.</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q I mean, is that a long list of people?</p> <p>5 <b>A No, but it's -- we were talking about</b></p> <p>6 <b>Highland specifically. So can you repeat the</b></p> <p>7 <b>question?</b></p> <p>8 Q Sure. At any time between January 2020</p> <p>9 and your departure from Highland in February 2021,</p> <p>10 did you have discussions with anybody about the</p> <p>11 Sentinel policy?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 And you do not have to divulge privileged</p> <p>14 conversations.</p> <p>15 <b>A I'm sure I spoke with the other board</b></p> <p>16 <b>members a time or two about the Highland</b></p> <p>17 <b>bankruptcy in general.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Anybody else?</p> <p>20 <b>A I don't think so.</b></p> <p>21 Q What about Beecher Carlson?</p> <p>22 <b>A Discuss this specific policy? We probably</b></p> <p>23 <b>didn't -- we generally discussed more financial</b></p> <p>24 <b>statement-type stuff, like expenses being paid.</b></p> <p>25 <b>We didn't really chat much about the actual</b></p>
<p>218</p> <p>1 Q Okay. But you don't recall if you did one</p> <p>2 way or the other?</p> <p>3 <b>A That's right.</b></p> <p>4 Q Sitting here today, do you think that's</p> <p>5 relevant information?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>A Relevant to who?</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q Relevant to the independent board</p> <p>10 attempting to settle litigation with UBS.</p> <p>11 MS. SMITH: Objection to form.</p> <p>12 <b>A I suppose.</b></p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q Well, that was -- the whole purpose of the</p> <p>15 policy, as we discussed, was to provide the funds</p> <p>16 with coverage in connection with the UBS claim,</p> <p>17 right?</p> <p>18 <b>A That's correct.</b></p> <p>19 Q Anytime between January 2020 and your</p> <p>20 departure from Highland in February 2021, did you</p> <p>21 have discussions with anybody about the Sentinel</p> <p>22 policy?</p> <p>23 <b>A Anybody?</b></p> <p>24 Q Anybody.</p> <p>25 <b>A In the entire world?</b></p>	<p>220</p> <p>1 <b>policy, which I believe was your question, right?</b></p> <p>2 Q It was. What about your auditors at</p> <p>3 Crowe? I think by that time they were just Crowe.</p> <p>4 <b>A Yeah. I don't believe I've ever directly</b></p> <p>5 <b>spoken to them about the policy.</b></p> <p>6 Q So when I say spoken to, are you drawing</p> <p>7 some distinction between having a face-to-face</p> <p>8 conversation?</p> <p>9 <b>A No, communicated with.</b></p> <p>10 Q Okay. And I believe the actuary, and this</p> <p>11 is not meant to be a trick, but I believe the</p> <p>12 actuary analysis that we looked at was in the time</p> <p>13 period. Are you saying that's not about the</p> <p>14 policy?</p> <p>15 <b>A It's about -- well, I guess it is, yeah.</b></p> <p>16 <b>That's fair.</b></p> <p>17 Q Okay. So you would have also talked about</p> <p>18 the policy with at least Mr. Leventon and the</p> <p>19 actuary?</p> <p>20 <b>A Right.</b></p> <p>21 Q And the auditors. Anybody else?</p> <p>22 <b>A Not that I can think of.</b></p> <p>23 Q What about with Mr. Ellington?</p> <p>24 <b>A Doubtful.</b></p> <p>25 Q Why is it doubtful?</p>



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<p>221</p> <p>1 <b>A Was just not a topic that ever really came</b>  2 <b>up.</b>  3 Q What about with Mr. Sevilla?  4 <b>A Same thing, probably no discussions.</b>  5 Q What about with Ms. Irving?  6 <b>A Probably not.</b>  7 Q Why not?  8 <b>A Again, it's just not a topic that was</b>  9 <b>discussed very often.</b>  10 Q What did you discuss with the board  11 members about the Sentinel policy in that time  12 frame?  13 MS. SMITH: Objection, form -- oh,  14 objection, privileged. Sorry.  15 <b>A Again, I'm not sure if I can divulge the</b>  16 <b>actual conversations I would have had with the</b>  17 <b>other board members.</b>  18 <b>BY MS. TOMKOWIAK:</b>  19 Q I'm asking for your communications with  20 board members. If it's confidential, then I would  21 like an answer to that question. It's not -- I'm  22 not asking you about conversations with you and  23 board members and counsels, but just with you and  24 board members.  25 <b>A They would check in generally for a</b></p>	<p>223</p> <p>1 of time.  2 <b>A Probably.</b>  3 Q Do you recall what that was about?  4 <b>A The only calls I would have arranged with</b>  5 <b>those people would have been with regards to the</b>  6 <b>actuarial analysis.</b>  7 Q Do you recall when the first time is that  8 you saw that policy?  9 <b>A Like I said before, probably after I came</b>  10 <b>on board in September of '17 and before the end of</b>  11 <b>the year.</b>  12 Q And you would have seen it without the  13 attachments, based on your testimony today about  14 when those were -- I'm sorry, the endorsements,  15 based on your testimony today about when those  16 were added?  17 <b>A I think so.</b>  18 Q So you would have seen some earlier  19 version of that insurance policy without the  20 endorsements?  21 MS. SMITH: Objection to form.  22 <b>A I would assume it was the policy just</b>  23 <b>without the two endorsements, yeah.</b>  24 <b>BY MS. TOMKOWIAK:</b>  25 Q Okay. You can set that aside.</p>
<p>222</p> <p>1 <b>high-level how is the bankruptcy going.</b>  2 Q And what did you tell them?  3 MS. SMITH: Objection.  4 If counsel was present, you don't need to  5 divulge communications with counsel.  6 THE WITNESS: Right.  7 <b>A Generally that it was going slow and</b>  8 <b>seemed to be no end in sight was my general</b>  9 <b>feeling on the bankruptcy.</b>  10 <b>BY MS. TOMKOWIAK:</b>  11 Q Did you discuss the UBS claim?  12 <b>A Not specifically that I remember.</b>  13 Q The Sentinel -- the other Sentinel board  14 members weren't interested in the status of the  15 UBS claims in the bankruptcy?  16 <b>A They were --</b>  17 MS. SMITH: Objection to form.  18 <b>A They were aware that the proceedings had</b>  19 <b>been stayed, as you mentioned before, so it was</b>  20 <b>kind of a holding pattern with respect to that.</b>  21 <b>BY MS. TOMKOWIAK:</b>  22 Q During this period of time, did you set up  23 a call between yourself, Beecher and Mr. Leventon?  24 <b>A Which period of time?</b>  25 Q The January 2020 to February 2021 period</p>	<p>224</p> <p>1 MS. TOMKOWIAK: Can we take a break,  2 please.  3 THE VIDEOGRAPHER: We are off the record  4 at 3:26 p.m.  5 (Recess taken from 3:26 p.m. CDT to  6 3:50 p.m. CDT)  7 THE VIDEOGRAPHER: The time is 3:50 p.m.  8 We are back on the record.  9 BY MS. TOMKOWIAK:  10 Q Mr. DiOrio, have you had any contact with  11 Sentinel since you resigned?  12 <b>A I don't believe so.</b>  13 Q What do you mean you don't believe so?  14 <b>A I don't believe I have.</b>  15 Q Can you recall any contact you've had with  16 Sentinel since you resigned?  17 <b>A No.</b>  18 Q Do you recall testifying earlier to  19 meetings that you would have with Mr. Leventon and  20 Beecher Carlson to discuss the status of the UBS  21 litigation?  22 <b>A Yes.</b>  23 Q And during those meetings, what did you  24 discuss?  25 <b>A The actuarial table that we looked at</b></p>

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<p>225</p> <p>1 earlier, just possible outcomes for the UBS 2 matter. 3 Q Did you discuss the funds' litigation 4 strategy at all? 5 A No, I don't believe so. 6 Q Okay. Did you discuss, for example, what 7 defenses were available to the funds with respect 8 to UBS's claims? 9 A I don't believe so. 10 Q Did you ask Mr. Leventon how the funds 11 planned to defend against UBS's claims? 12 A I think, as I said before, I had a very, 13 very high-level understanding of the case itself, 14 so I wouldn't -- it would be a waste of both of 15 our times for me to ask legal strategy. I just 16 don't know. 17 Q And the insurer wasn't interested in 18 understanding how the insureds were defending 19 against the claims in the case? 20 MS. SMITH: Objection, form. 21 A There were no attorneys on staff at the 22 insurer. Just relied upon that litigation was 23 being managed properly. 24 BY MS. TOMKOWIAK: 25 Q Was there anything that Sentinel asked the</p>	<p>227</p> <p>1 tables. And other than that, once the policy was 2 paid for, there was not much to be done, is my 3 understanding. 4 Q Did you understand that Mr. Leventon 5 represented the insureds? 6 MS. SMITH: Objection to form. 7 A I don't know that. I don't know. 8 BY MS. TOMKOWIAK: 9 Q Did you understand that he was a 10 representative of the insureds? 11 MS. SMITH: Objection to form. 12 A I don't know if he was a representative of 13 the insureds or not. 14 BY MS. TOMKOWIAK: 15 Q In the insurance policy that we looked at, 16 the representative of the insureds is listed as 17 Paul Lackey. Do you know who that is? 18 A I've heard the name -- 19 MS. SMITH: Objection to form. 20 A I've heard the name before. 21 BY MS. TOMKOWIAK: 22 Q Did you ever have any communications with 23 Mr. Lackey during the time that you were a 24 director at Sentinel? 25 A I've never met Mr. Lackey.</p>
<p>226</p> <p>1 insureds to provide that it didn't receive? 2 A Not that I recall. 3 Q If Sentinel needed to contact the 4 insureds, who did they contact? 5 A I don't know that there was a contact 6 person at the insureds. 7 Q So you had -- so Sentinel had no way to 8 contact the insureds? 9 MS. SMITH: Objection to form. 10 A The insureds directly? 11 BY MS. TOMKOWIAK: 12 Q Yes. 13 A I don't know. 14 Q So if Sentinel wanted to talk to CDO Fund 15 about something, you don't know who Sentinel would 16 have reached out to? 17 A Not at CDO Fund specifically, no. There 18 was nothing to talk to the insureds about as -- 19 was my understanding. 20 Q I'm not sure I understand that. So the 21 insurer, Sentinel, had nothing to talk to the 22 insureds about during the four-year period of time 23 in which you were a director? 24 A Right. The insurer received, you know, 25 periodic updates in the form of these actuarial</p>	<p>228</p> <p>1 Q Okay. So I take it you've had no -- I 2 just want to be really precise. So you've never 3 met him. Did you have any other types of 4 communications with Mr. Lackey? 5 A No. 6 Q You said that you relied on the fact that 7 litigation was being managed properly; is that 8 right? 9 A (Nods head.) 10 Q Okay. And so Sentinel left case 11 management entirely at the discretion of the 12 insureds; is that right? 13 MS. SMITH: Objection, form. 14 A Sentinel was responsible for paying 15 ongoing legal fees. And as I said, there was no 16 one on -- there were no attorneys on staff to 17 analyze the legal strategy. 18 BY MS. TOMKOWIAK: 19 Q Well, setting aside whether or not there 20 were any attorneys, I just want to be clear, that 21 with respect to litigation strategy and case 22 management, that was -- discretion was given to 23 the insureds to manage that on their own, right? 24 MS. SMITH: Objection to form. 25 A I suppose so.</p>

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<p style="text-align: right;">229</p> <p><b>1 BY MS. TOMKOWIAK:</b></p> <p><b>2 Q</b> Did you feel, as a director of Sentinel,</p> <p><b>3</b> that you were adequately informed of the status of</p> <p><b>4</b> the litigation?</p> <p><b>5 A I did, yes.</b></p> <p><b>6 Q</b> I want to try one more time to nail down</p> <p><b>7</b> when you became aware of the \$1 billion judgment.</p> <p><b>8</b> Do you think that you were aware of that judgment</p> <p><b>9</b> by January of 2020?</p> <p><b>10 A I can't say for sure. I think I said</b></p> <p><b>11 late '19 or early '20, so that would fall in that</b></p> <p><b>12 time frame.</b></p> <p><b>13 Q</b> I'm handing you what has been previously</p> <p><b>14</b> marked as Exhibit 2.</p> <p><b>15 MS. TOMKOWIAK:</b> Counsel, do you have that?</p> <p><b>16 MS. HARTMANN:</b> I don't think I do.</p> <p><b>17 MS. SMITH:</b> I got it.</p> <p><b>18 MS. DANDENEAU:</b> Yes, we have.</p> <p><b>19 MS. HARTMANN:</b> Okay.</p> <p><b>20 BY MS. TOMKOWIAK:</b></p> <p><b>21 Q</b> You can take your time to look through</p> <p><b>22</b> that as well and let me know when you're ready.</p> <p><b>23 A Okay.</b></p> <p><b>24</b> (Witness reviews document.)</p> <p><b>25 A Okay.</b></p>	<p style="text-align: right;">231</p> <p><b>1 A Again, I was not involved in the</b></p> <p><b>2 transaction, but I believe so.</b></p> <p><b>3 Q</b> If you turn to Schedule A.</p> <p><b>4 A First page?</b></p> <p><b>5 Q</b> Yes. There are three sellers listed in</p> <p><b>6</b> the preamble that we just looked at, but there's</p> <p><b>7</b> more than three entities that are selling assets</p> <p><b>8</b> here, right?</p> <p><b>9 MS. SMITH:</b> Objection to form.</p> <p><b>10 A It appears so, yes.</b></p> <p><b>11 BY MS. TOMKOWIAK:</b></p> <p><b>12 Q</b> Do you know why that was the case?</p> <p><b>13 A I don't.</b></p> <p><b>14 Q</b> Do you know if these entities received any</p> <p><b>15</b> consideration for any of these assets beyond the</p> <p><b>16</b> ATE policy?</p> <p><b>17 A I don't.</b></p> <p><b>18 Q</b> Do you know who negotiated this document</p> <p><b>19</b> for Sentinel?</p> <p><b>20 A I do not.</b></p> <p><b>21 Q</b> Do you know who drafted this document?</p> <p><b>22 A I do not.</b></p> <p><b>23 Q</b> Do you know who negotiated this document</p> <p><b>24</b> on behalf of the sellers?</p> <p><b>25 A I do not.</b></p>
<p style="text-align: right;">230</p> <p><b>1 BY MS. TOMKOWIAK:</b></p> <p><b>2 Q</b> Have you seen this document before?</p> <p><b>3 A I believe so.</b></p> <p><b>4 Q</b> Is this the Purchase Agreement that</p> <p><b>5</b> transferred the assets to Sentinel to pay the</p> <p><b>6</b> premium on the ATE policy that we just discussed?</p> <p><b>7 MS. SMITH:</b> Objection to form.</p> <p><b>8 A It looks like it.</b></p> <p><b>9 BY MS. TOMKOWIAK:</b></p> <p><b>10 Q</b> And do you see on the first page it lists</p> <p><b>11</b> three Highland entities as the sellers, at the</p> <p><b>12</b> top?</p> <p><b>13 A Yes.</b></p> <p><b>14 Q</b> And do you understand that those are the</p> <p><b>15</b> insured entities under the ATE policy?</p> <p><b>16 A Yes.</b></p> <p><b>17 Q</b> And in Section 1, Payment of Premium, it</p> <p><b>18</b> says: Purchaser agrees to accept the assets</p> <p><b>19</b> listed in Schedule A hereto as 100 percent payment</p> <p><b>20</b> of the Premium -- and then I am going to omit the</p> <p><b>21</b> rest of the sentence.</p> <p><b>22</b> Do you agree that Sentinel accepted the</p> <p><b>23</b> assets listed in the schedule hereto as</p> <p><b>24</b> 100 percent payment of the premium on the</p> <p><b>25</b> ATE policy?</p>	<p style="text-align: right;">232</p> <p><b>1 Q</b> Do you know whether Sentinel did any</p> <p><b>2</b> diligence on the assets listed in Schedule A prior</p> <p><b>3</b> to accepting them as 100 percent payment of the</p> <p><b>4</b> premium?</p> <p><b>5 A I do not know.</b></p> <p><b>6 Q</b> Did anybody ever tell you that Sentinel</p> <p><b>7</b> did?</p> <p><b>8 A Did diligence prior to?</b></p> <p><b>9 Q</b> Accepting these assets as payment.</p> <p><b>10 MS. SMITH:</b> Objection.</p> <p><b>11</b> Do not divulge any confidential</p> <p><b>12</b> communications with counsel.</p> <p><b>13 A I don't remember one way or the other</b></p> <p><b>14</b> having that conversation, no.</p> <p><b>15 BY MS. TOMKOWIAK:</b></p> <p><b>16 Q</b> So earlier -- well, first of all, do you</p> <p><b>17</b> know if Sentinel actually took custody of all of</p> <p><b>18</b> the assets listed here in Schedule A?</p> <p><b>19 MS. SMITH:</b> Objection to form.</p> <p><b>20 A Most of them.</b></p> <p><b>21 BY MS. TOMKOWIAK:</b></p> <p><b>22 Q</b> So I would like to go through each of the</p> <p><b>23</b> assets and understand whether you know if Sentinel</p> <p><b>24</b> actually took custody of the asset and whether you</p> <p><b>25</b> know if Sentinel still holds the asset as of the</p>

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<p>1 date that you resigned. Okay?</p> <p>2 <b>A As of June 25th?</b></p> <p>3 Q Correct.</p> <p>4 <b>A Okay.</b></p> <p>5 Q Unless you have any more recent knowledge,</p> <p>6 but you --</p> <p>7 <b>A No, I just wanted to be clear that's the</b></p> <p>8 <b>date.</b></p> <p>9 Q So with respect to the Aberdeen asset, do</p> <p>10 you know whether Sentinel took custody of that</p> <p>11 asset?</p> <p>12 <b>A That one in particular, I don't believe</b></p> <p>13 <b>so.</b></p> <p>14 Q Why not?</p> <p>15 <b>A I don't recall, but I just -- I know that</b></p> <p>16 <b>that one was not part of -- it's not on Sentinel's</b></p> <p>17 <b>balance sheet. I'm not entirely sure why.</b></p> <p>18 Q And -- well, then I suppose Sentinel would</p> <p>19 not have had -- still had it as of June 25th,</p> <p>20 2021, if it never had it?</p> <p>21 <b>A Right.</b></p> <p>22 Q Right. Okay. What about with respect to</p> <p>23 the Southfork CLO?</p> <p>24 <b>A Yes.</b></p> <p>25 Q Yes, they took custody?</p>	<p>233</p> <p>1 <b>A That was one of the worthless assets that</b></p> <p>2 <b>was, I think sold to Sebastian Clarke for a</b></p> <p>3 <b>dollar.</b></p> <p>4 Q So they took custody of it and then it was</p> <p>5 sold to Sebastian Clarke?</p> <p>6 <b>A I believe so.</b></p> <p>7 Q What about the Greenbriar CLO?</p> <p>8 <b>A There was an issue with the registration</b></p> <p>9 <b>of that, but it is I believe on Sentinel's balance</b></p> <p>10 <b>sheet.</b></p> <p>11 Q Does that mean that the issue with the</p> <p>12 registration was fixed?</p> <p>13 <b>A It's not fixed, as far as I know.</b></p> <p>14 Q So it's on Sentinel's balance sheet, but</p> <p>15 as far as you know that asset was never actually</p> <p>16 transferred to Sentinel?</p> <p>17 <b>A It was a paper certificate that I think</b></p> <p>18 <b>got lost in the mail or something. I don't know,</b></p> <p>19 <b>but it -- it's probably still registered to CDO</b></p> <p>20 <b>Opportunity Master Fund, LP, or whatever is listed</b></p> <p>21 <b>here.</b></p> <p>22 Q How did you come to learn that, unless it</p> <p>23 was through counsel?</p> <p>24 <b>A How did I come to learn?</b></p> <p>25 Q That -- this issue with the paper</p>
<p>234</p> <p>1 <b>A Yes.</b></p> <p>2 Q Do you know whether they still own that</p> <p>3 asset today?</p> <p>4 <b>A As -- yeah.</b></p> <p>5 Q Let's --</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>A All my answers will be as of June 25th.</b></p> <p>8 <b>Can we agree there?</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Yes.</p> <p>11 <b>A Okay. Yes.</b></p> <p>12 Q That sounds great. What about with</p> <p>13 respect to the next Southfork CLO?</p> <p>14 <b>A Yes.</b></p> <p>15 Q Yes, they took custody and, yes, they</p> <p>16 still own it?</p> <p>17 <b>A That's right.</b></p> <p>18 MS. SMITH: That's a two-part answer.</p> <p>19 THE WITNESS: Okay.</p> <p>20 BY MS. TOMKOWIAK:</p> <p>21 Q Yes. What about with respect to the next</p> <p>22 Aberdeen asset?</p> <p>23 <b>A Yes to custody, yes to ownership.</b></p> <p>24 Q What about with respect to GC -- GSC ABS</p> <p>25 CDO?</p>	<p>235</p> <p>1 certificate being lost.</p> <p>2 <b>A There was issues with several. No one</b></p> <p>3 <b>really works with paper certificates anymore.</b></p> <p>4 <b>These things are very old. I think they're all</b></p> <p>5 <b>like mid-2005, '6, '7ish. And some of them, you</b></p> <p>6 <b>know, lost in the mail or someone didn't have</b></p> <p>7 <b>them, something like that. So I don't believe</b></p> <p>8 <b>this particular one ever arrived at Sentinel's</b></p> <p>9 <b>custody account.</b></p> <p>10 Q That's helpful, but how did you come to</p> <p>11 learn that? Like did somebody else at -- did one</p> <p>12 of your directors tell you that or how did you</p> <p>13 learn that?</p> <p>14 <b>A No, I think it -- we would have found out</b></p> <p>15 <b>when it never arrived at the custody account.</b></p> <p>16 Q Would that have been in connection with</p> <p>17 your audit, Sentinel's audit?</p> <p>18 <b>A I don't know.</b></p> <p>19 Q What about with respect to Highland</p> <p>20 Financial Partners, LP?</p> <p>21 <b>A Both of those interests I believe were</b></p> <p>22 <b>deemed worthless. I don't know if it was included</b></p> <p>23 <b>in -- it might have been written off, in all</b></p> <p>24 <b>honestly. We had a valuation done on it -- or</b></p> <p>25 <b>Sentinel had a valuation performed on it to say it</b></p> <p>236</p>

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<p>237</p> <p>1 was worthless a couple years ago, so it may have 2 just been written off rather than moved. 3 Q What about Longstreet CDO? 4 A I believe that's part of the worthless 5 basket sold to Sebastian Clarke for a dollar. 6 Q NexPoint, what about that one? 7 A I don't know what that is. 8 Q Okay. What about the Pam -- I don't know 9 if I'm saying this right, but Pam Cap LP? 10 A Another worthless asset. 11 Q Do you know what that asset is? 12 A Pam Cap? 13 Q Yeah. 14 A No idea. 15 Q What about Touse, Inc.? 16 A Same answer for Touse. 17 Q That you don't know what it is or that it 18 was worthless? 19 A Sorry, that it was worthless. I believe 20 Touse at some point in the past went through a 21 bankruptcy. 22 Q How about the Valhalla CLO? 23 A Yes to ownership, yes to still has it. 24 Q So yes to custody, yes to ownership? 25 A Yes.</p>	<p>239</p> <p>1 Reinsurance, Ltd. 2 Q Which Sentinel entity, if you recall, 3 already had an interest in Multi Strat prior to 4 this? 5 A It may have been Sentinel Re Holdings, 6 that entity that was merged in. I'm not entirely 7 sure, but all of that interest, now it all sits in 8 Sentinel Reinsurance, Ltd. 9 Q And that was not deemed worthless, right? 10 A Correct. 11 Q Do you know whether Sentinel still has it 12 as of June 25th? 13 A Its interest in Multi Strat? 14 Q Yes. 15 A Sentinel elected to redeem out of 16 Multi Strat. It has not been paid anything. It 17 is, as I understand it, behind a list of other 18 redeemers in that fund. 19 Q Do you know who sent -- well, did Sentinel 20 send a redemption letter? 21 A Yes. 22 Q Did you send that or did somebody else 23 from Sentinel send that? 24 A I'm not entirely sure who sent it, but I 25 would have -- as with any other investment</p>
<p>238</p> <p>1 Q Okay. What about the Vertical ABS CDO? 2 A Another worthless one. 3 Q Highland Credit Opportunities CDO, Ltd., 4 partnership interest? 5 A That's actually wound up -- that's 6 Multi Strat -- Highland Multi Strat. 7 Q So that is -- the partnership interest 8 referenced here is the partnership interest in 9 Multi Strat? 10 A Correct. 11 Q And Sentinel took custody of that? Took 12 custody might be the wrong word with respect to 13 that, but it -- that interest was transferred or 14 assigned to Sentinel? 15 A Yes, that interest added to existing 16 interest that Sentinel already had from years 17 prior in Multi Strat and then subsequent to this 18 transaction, Sentinel invested further into 19 Multi Strat at the end of 2017. 20 Q Was that through Sentinel Reinsurance or 21 some other Sentinel entity? 22 A It was through -- which one? Sorry. Was 23 this -- 24 Q At the end of 2017. 25 A I believe it was through Sentinel</p>	<p>240</p> <p>1 decisions, I would have offered it to the board 2 and they agree or don't agree. To the independent 3 directors, excuse me, the other two. 4 Q So at Sentinel you were responsible for 5 investment decisions? 6 A Yes. 7 Q Tell me about that. What did that 8 responsibility entail? 9 A Not much. It was very inactive. But as 10 part of the conditions of the ATE policy, CIMA 11 mandated that Sentinel keep cash in equal to its 12 loss reserves, which is what you see on this 13 actuarial table. So the premium was earned over 14 two years and every quarter there was a milestone 15 where Sentinel's cash balance had to increase. 16 And once Sentinel -- once the requirement was more 17 cash than Sentinel had and it would have to sell 18 something to make -- just to generate cash to keep 19 up with those loss reserves. 20 Q When you say that the premium was earned 21 over two years, do you mean as a matter of 22 accounting, like that's how it was spread out? 23 A That's right. 24 Q Do you recall what the milestones were 25 every quarter?</p>

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<p>241</p> <p>1 <b>A The actual cash numbers?</b></p> <p>2 Q Yes.</p> <p>3 <b>A I don't. It built up to the -- whatever</b></p> <p>4 <b>the loss reserve number was and it's generally</b></p> <p>5 <b>been around that 24, \$25 million.</b></p> <p>6 Q That was going to be my next question. So</p> <p>7 do you recall what the loss reserve was?</p> <p>8 <b>A It's -- yeah. The last -- well, I guess</b></p> <p>9 <b>in 2019, it was 25 million, or 25.3 million.</b></p> <p>10 Q And just for the record, can you identify</p> <p>11 which exhibit you're looking at?</p> <p>12 <b>A Bates 118, Exhibit 53.</b></p> <p>13 Q So that 25.3, I think it says million at</p> <p>14 the bottom of that table --</p> <p>15 <b>A That's right.</b></p> <p>16 Q -- that's the amount of Sentinel's loss</p> <p>17 reserves as of that date?</p> <p>18 <b>A That's right.</b></p> <p>19 Q Do you recall whether the milestones were</p> <p>20 some type of lock step? Like did they increase by</p> <p>21 the same percentage or dollar amount each quarter</p> <p>22 or did it vary?</p> <p>23 <b>A I think it was -- I think it was evenly --</b></p> <p>24 <b>you know, whenever we start -- wherever Sentinel</b></p> <p>25 <b>started and had to get to over those two years,</b></p>	<p>243</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q How did you make that proposal?</p> <p>3 <b>A Probably via SAS e-mail.</b></p> <p>4 Q How did you decide what to propose?</p> <p>5 <b>A There were very few liquid assets on</b></p> <p>6 <b>Sentinel's balance sheet; in other words, easy to</b></p> <p>7 <b>generate cash. So we -- I started with the --</b></p> <p>8 <b>they were publicly traded equities that can be</b></p> <p>9 <b>sold and generate cash quickly. So that's kind of</b></p> <p>10 <b>where we started.</b></p> <p>11 Q Were any of your proposals rejected?</p> <p>12 <b>A I don't believe so.</b></p> <p>13 Q Have any of the assets that we've</p> <p>14 discussed, I take it none of them were sold to</p> <p>15 generate cash?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 <b>A None that we've discussed so far.</b></p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Okay. As we go, if there is an asset that</p> <p>20 you sold and you generated for cash, I would like</p> <p>21 to know, but I'll try to ask that specifically if</p> <p>22 I think that one would potentially qualify for</p> <p>23 that.</p> <p>24 Is there anything else that you did as</p> <p>25 part of your responsibility to make investment</p>
<p>242</p> <p>1 <b>the only variable would be if the loss reserve</b></p> <p>2 <b>number changed in the interim, which it did but</b></p> <p>3 <b>not materially so. I think it was just a step up,</b></p> <p>4 <b>if that makes sense, to get from wherever Sentinel</b></p> <p>5 <b>started to that 24, \$25 million number, whatever</b></p> <p>6 <b>it was.</b></p> <p>7 Q So as part of your responsibility for</p> <p>8 making investment decisions, were you responsible</p> <p>9 for deciding whether or not Sentinel needed to</p> <p>10 sell an asset to generate cash?</p> <p>11 MS. SMITH: Objection, form.</p> <p>12 <b>A CIMA decided for Sentinel. In other</b></p> <p>13 <b>words, we -- if we -- Sentinel wanted to stay in</b></p> <p>14 <b>compliance, it had to sell something or sell</b></p> <p>15 <b>assets over the course of that -- those two years.</b></p> <p>16 BY MS. TOMKOWIAK:</p> <p>17 Q Would CIMA identify the specific asset?</p> <p>18 <b>A They just said get your cash balance up.</b></p> <p>19 Q And then were you responsible for</p> <p>20 identifying how to get the cash balance up?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A I would propose what I thought was best</b></p> <p>23 <b>and submit it to the other two directors and then</b></p> <p>24 <b>they would say yes or no.</b></p> <p>25</p>	<p>244</p> <p>1 decisions for Sentinel?</p> <p>2 <b>A No. Like I said, it was very inactive</b></p> <p>3 <b>with respect to investments, trading, whatever you</b></p> <p>4 <b>want to call it.</b></p> <p>5 Q All right. So for the next one, the 2.1</p> <p>6 promissory note from Governance Re and cash from</p> <p>7 the NexPoint Multifamily Capital Trust Interest.</p> <p>8 <b>A Yes to custody; yes, Sentinel still holds.</b></p> <p>9 <b>It has been paid down.</b></p> <p>10 Q Do you know what the note has been paid</p> <p>11 down to?</p> <p>12 <b>A There's approximately \$750,000 left.</b></p> <p>13 Q Governance Re is another insurance company</p> <p>14 that provided insurance services to Highland; is</p> <p>15 that right?</p> <p>16 <b>A It's an insurance company. I don't know</b></p> <p>17 <b>where it provides service.</b></p> <p>18 Q You don't know who its clients are?</p> <p>19 <b>A I don't.</b></p> <p>20 Q Do you know who owns Governance Re?</p> <p>21 <b>A I don't.</b></p> <p>22 Q Do you know if it's affiliated with</p> <p>23 Highland?</p> <p>24 <b>A I don't.</b></p> <p>25 Q Okay. What about the NexPoint Real Estate</p>

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<p>1 Strategy Z?</p> <p>2 <b>A That has been -- yes, Sentinel still holds</b></p> <p>3 <b>its position, partially -- has been partially sold</b></p> <p>4 <b>off to generate cash.</b></p> <p>5 Q Would Sentinel receive any types of</p> <p>6 distributions relating to this particular</p> <p>7 investment?</p> <p>8 <b>A Yeah, that paid a dividend.</b></p> <p>9 Q Do you recall approximately how often?</p> <p>10 <b>A I think -- I believe quarterly.</b></p> <p>11 Q Do you recall approximately how much?</p> <p>12 <b>A I don't. I don't.</b></p> <p>13 Q Do you know approximately how much of it</p> <p>14 was sold off to generate cash?</p> <p>15 <b>A If I remember correctly, this -- these</b></p> <p>16 <b>97,000 shares were -- you know, the value</b></p> <p>17 <b>obviously changes month to month, but it was a</b></p> <p>18 <b>little under \$2 million. I believe Sentinel has</b></p> <p>19 <b>redeemed out approximately two-thirds of that. So</b></p> <p>20 <b>there's, call it, 6, 700 grand left, last I saw.</b></p> <p>21 <b>Hadn't seen a statement in a while.</b></p> <p>22 Q What about the Highland Gemini Program, I</p> <p>23 guess and is that -- yeah, that's separate from</p> <p>24 the next one. So what about the Highland Gemini</p> <p>25 Program?</p>	<p>245</p> <p>247</p> <p>1 <b>A Yes.</b></p> <p>2 Q Okay. And since cash is fungible, there's</p> <p>3 no way to know if that cash is still at Sentinel.</p> <p>4 Does Sentinel still hold some cash balance?</p> <p>5 <b>A Yes.</b></p> <p>6 Q Do you know approximately what that</p> <p>7 balance is as of June 2021?</p> <p>8 <b>A It's approximately -- I think it's</b></p> <p>9 <b>approximately \$27 million in cash.</b></p> <p>10 Q So 27 million in cash and 25.3 in loss</p> <p>11 reserves?</p> <p>12 <b>A No. That number satisfies the loss</b></p> <p>13 <b>reserve requirement.</b></p> <p>14 Q Gotcha. Okay. And then the last asset on</p> <p>15 that page is Cash.</p> <p>16 Okay. So then looking at the second page,</p> <p>17 HFT Real Estate, what about that?</p> <p>18 <b>A It was -- yeah, it -- Sentinel has custody</b></p> <p>19 <b>over that, but it's -- my understanding is it has</b></p> <p>20 <b>no value.</b></p> <p>21 Q Did you understand it had no value at the</p> <p>22 time or that it came to have no value?</p> <p>23 <b>A At the time and since.</b></p> <p>24 Q So Sentinel took custody of it, but it had</p> <p>25 no value?</p>
<p>246</p> <p>1 <b>A I don't know really what that is. That</b></p> <p>2 <b>sounds like it would have been one of the</b></p> <p>3 <b>worthless ones.</b></p> <p>4 Q Okay. And then the 2.4 -- approximately</p> <p>5 \$2.4 million promissory note from The Dugaboy</p> <p>6 Investment Trust and cash of nearly 600,000, RE:</p> <p>7 Survios Interest?</p> <p>8 <b>A I believe -- I believe that note was</b></p> <p>9 <b>deemed worthless as it never paid anything and it</b></p> <p>10 <b>was transferred to Sebastian Clarke.</b></p> <p>11 Q The Dugaboy Investment Trust, that's the</p> <p>12 trust that's affiliated with Mr. Dondero, correct?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I'm not sure.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q You don't know?</p> <p>17 <b>A I'm not sure.</b></p> <p>18 Q And do you know what the Survios Interest</p> <p>19 is?</p> <p>20 <b>A I don't.</b></p> <p>21 Q What about the next asset, something 5X</p> <p>22 Floating?</p> <p>23 <b>A Also a worthless asset.</b></p> <p>24 Q All right. And then the next one is Cash.</p> <p>25 I assume that Sentinel took custody of the cash?</p>	<p>248</p> <p>1 <b>A Right.</b></p> <p>2 Q And it still has it today, but it has no</p> <p>3 value?</p> <p>4 <b>A I believe so.</b></p> <p>5 Q And then the next line down, 144A F, is</p> <p>6 that a separate asset than the line above it?</p> <p>7 <b>A It's the same. It's some -- I forget why</b></p> <p>8 <b>there's some designation 144A. It's not the same.</b></p> <p>9 <b>It's the same asset. It's not two 750,000 shares,</b></p> <p>10 <b>if that makes sense. I just don't remember -- I</b></p> <p>11 <b>don't recall the specifics.</b></p> <p>12 Q With respect to the next, NexPoint asset?</p> <p>13 <b>A Yes. I believe that was -- NHF would be</b></p> <p>14 <b>the ticker.</b></p> <p>15 Q Okay. So this is a publicly traded --</p> <p>16 <b>A That's right.</b></p> <p>17 Q And Sentinel took custody of that?</p> <p>18 <b>A That's right.</b></p> <p>19 Q And still has it as of June?</p> <p>20 <b>A This was one of the assets that was sold</b></p> <p>21 <b>to generate cash.</b></p> <p>22 Q All of it?</p> <p>23 <b>A That's right.</b></p> <p>24 Q And what about the next one?</p> <p>25 <b>A That I believe is NexPoint Residential</b></p>

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<p>249</p> <p>1 <b>Trust, also public equity.</b></p> <p>2 Q So Sentinel took custody of that?</p> <p>3 <b>A That's right.</b></p> <p>4 Q Was it sold to generate cash?</p> <p>5 <b>A It was.</b></p> <p>6 Q All of it?</p> <p>7 <b>A Yes.</b></p> <p>8 Q How about Stratford CL?</p> <p>9 <b>A Yes to custody; yes, still owned.</b></p> <p>10 Q And then same thing with respect to the</p> <p>11 144A, that's not actually a separate asset?</p> <p>12 <b>A Right. I think that shows up a couple</b></p> <p>13 <b>times in here. And again, I'm not entirely sure</b></p> <p>14 <b>why, but it's one asset.</b></p> <p>15 Q Next is Highland Park?</p> <p>16 <b>A I believe that was part of the worthless</b></p> <p>17 <b>group.</b></p> <p>18 Q So took custody but worthless?</p> <p>19 <b>A I think so. It may have been part of the</b></p> <p>20 <b>asset -- you know, the transfer to Sebastian</b></p> <p>21 <b>Clarke.</b></p> <p>22 Q And then what about the next item here,</p> <p>23 which looks like it's a promissory note from CLO</p> <p>24 Holdco?</p> <p>25 <b>A Right. Same, also transferred to</b></p>	<p>251</p> <p>1 securities there is something for the Delphi -- I</p> <p>2 don't know if I'm saying that right -- Corp?</p> <p>3 <b>A Yeah. So all of these, I can save us a</b></p> <p>4 <b>few minutes, are -- were part of the -- so Delphi</b></p> <p>5 <b>down to Vertical, worthless; if Sentinel took</b></p> <p>6 <b>custody, would have been transferred to Sebastian</b></p> <p>7 <b>Clarke.</b></p> <p>8 Q And then skipping down, we have two more</p> <p>9 lines of Cash and then there's a Tax Refund</p> <p>10 Receivable of 477,637. Is this the tax receivable</p> <p>11 that you were talking about earlier?</p> <p>12 <b>A Yes.</b></p> <p>13 Q Okay. And to your knowledge, I believe</p> <p>14 you testified that Sentinel received approximately</p> <p>15 433 of that; is that right?</p> <p>16 <b>A Around 430. Again, I'm not sure of the</b></p> <p>17 <b>actual number and would have written off whatever</b></p> <p>18 <b>the difference was.</b></p> <p>19 Q Okay. Do you know whether the -- for each</p> <p>20 of these entities, do you know whether any of them</p> <p>21 had any assets left after making these transfers</p> <p>22 to Sentinel?</p> <p>23 <b>A I don't know.</b></p> <p>24 Q Do you know if that was the intent?</p> <p>25 MS. SMITH: Objection to form.</p>
<p>250</p> <p>1 <b>Sebastian Clarke, never paid, was deemed to have</b></p> <p>2 <b>no value.</b></p> <p>3 Q Do you know what CLO Holdco is?</p> <p>4 <b>A I don't.</b></p> <p>5 Q Do you know if it's affiliated with</p> <p>6 Highland in any way?</p> <p>7 <b>A I don't know for sure.</b></p> <p>8 Q Do you know not for sure?</p> <p>9 <b>A I don't know.</b></p> <p>10 Q Okay. Then we have Cash and then</p> <p>11 Dividends Receivable - Highland Capital</p> <p>12 Management, Inc., what's that?</p> <p>13 <b>A I don't know specifically what that is. I</b></p> <p>14 <b>assume the -- I mean, just reading it, the fund</b></p> <p>15 <b>was owed a dividend from HCMLP, but I don't know</b></p> <p>16 <b>any more details. And I don't know if it paid or</b></p> <p>17 <b>not.</b></p> <p>18 Q Okay. Do you know if it took -- if it --</p> <p>19 I don't know if took custody is the right term to</p> <p>20 use there, but --</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A Yeah, it may have. I don't remember</b></p> <p>23 <b>seeing it ever.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q And going down to Highland SOHC, the first</p>	<p>252</p> <p>1 <b>A I assumed that all assets were</b></p> <p>2 <b>contributed, but I don't know for sure.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Why did you make that assumption?</p> <p>5 <b>A To me, it wouldn't make sense to hold</b></p> <p>6 <b>anything back if you're trying to pay for coverage</b></p> <p>7 <b>and you can't pay it.</b></p> <p>8 Q Did you reach that conclusion on your own?</p> <p>9 <b>A I did.</b></p> <p>10 MS. DANDENEAU: Were you going to say</p> <p>11 something?</p> <p>12 MS. SMITH: I was going to say objection</p> <p>13 if he's going to divulge privileged information.</p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Do you know whether any of these funds</p> <p>16 made any attempt to settle any of their</p> <p>17 outstanding liabilities prior to selling all of</p> <p>18 these assets to Sentinel?</p> <p>19 <b>A I don't know.</b></p> <p>20 MS. SMITH: Objection to form.</p> <p>21 <b>A I don't know.</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q I'm handing you what's been marked</p> <p>24 previously as Exhibit 38.</p> <p>25 MS. SMITH: I don't think we have that</p>



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<p>253</p> <p>1 one.</p> <p>2 MS. TOMKOWIAK: Do we have extra copies of</p> <p>3 that one?</p> <p>4 MS. HARTMANN: I don't think I have that.</p> <p>5 MS. SMITH: Oh, yeah, we did get it.</p> <p>6 MS. HARTMANN: Do you have an extra one?</p> <p>7 MS. TOMKOWIAK: Is this extra? Is that</p> <p>8 okay?</p> <p>9 MS. McLAUGHLIN: Yeah.</p> <p>10 MS. SMITH: 38.</p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Have you had a chance to review that?</p> <p>13 A Yes.</p> <p>14 Q Let me know when you're ready if you want</p> <p>15 more time.</p> <p>16 (Witness reviews document.)</p> <p>17 A I've reviewed it.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Are you familiar with this document?</p> <p>20 A Yes.</p> <p>21 Q Is this the -- does this agreement reflect</p> <p>22 the transfer of assets from Sentinel to Sebastian</p> <p>23 Clarke that you've been referring to throughout</p> <p>24 today?</p> <p>25 A I believe it does, yes.</p>	<p>255</p> <p>1 to go.</p> <p>2 Q Do you know why Sentinel would agree to</p> <p>3 accept worthless assets in exchange for -- to pay</p> <p>4 for the premium?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 A I don't. I just assumed it was part of a</p> <p>7 big, again, illiquid basket of securities used to</p> <p>8 pay for the policy.</p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q Did any of Sentinel's other clients use</p> <p>11 illiquid securities to pay the premiums on their</p> <p>12 insurance policies?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 A I don't know.</p> <p>15 BY MS. TOMKOWIAK:</p> <p>16 Q Were you aware of any other clients that</p> <p>17 did that?</p> <p>18 A I was not aware of any others, no.</p> <p>19 Q Did Mr. Dondero provide any advice or</p> <p>20 consulting with respect to this transfer of</p> <p>21 assets?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 A Not to my knowledge.</p> <p>24 BY MS. TOMKOWIAK:</p> <p>25 Q Did Mr. Dondero provide any advice or</p>
<p>254</p> <p>1 Q Are you aware of any other agreements that</p> <p>2 transferred assets from Sentinel to Sebastian</p> <p>3 Clarke?</p> <p>4 A I'm not aware of any other agreements.</p> <p>5 Q And just for the record, can you summarize</p> <p>6 one more time what was the purpose of transferring</p> <p>7 these assets from Sentinel to Sebastian Clarke?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 A The assets were causing Sentinel's audit</p> <p>10 to have a qualification and Sentinel was</p> <p>11 instructed by CIMA, as part of its -- I think as</p> <p>12 part of the inspection or at some point in a prior</p> <p>13 audit, to no longer submit financials with</p> <p>14 qualifications. So this was what the board</p> <p>15 thought best to do to remove the worthless assets</p> <p>16 from Sentinel's balance sheet.</p> <p>17 BY MS. TOMKOWIAK:</p> <p>18 Q Who had deemed them worthless?</p> <p>19 A These were assumed to be worthless when</p> <p>20 they were transferred over. I think, like I</p> <p>21 mentioned before, we tried to have that valuation</p> <p>22 company value some of them and we couldn't even</p> <p>23 provide enough information for them to make a</p> <p>24 determination because some of them are really old.</p> <p>25 So the board kind of agreed that these things need</p>	<p>256</p> <p>1 consulting to Sentinel with respect to any of its</p> <p>2 assets or investments?</p> <p>3 A Not to my knowledge.</p> <p>4 Q Do you know why Sebastian Clarke was</p> <p>5 chosen as the entity to transfer these assets to?</p> <p>6 A I don't recall why.</p> <p>7 Q Do you know what Sebastian Clarke did with</p> <p>8 these assets after they were transferred to it?</p> <p>9 A My understanding is they're still sitting</p> <p>10 at Sebastian Clarke.</p> <p>11 Q If you look at the signature page, which</p> <p>12 is the last page ending in Bates 76, is that your</p> <p>13 signature?</p> <p>14 A Yes.</p> <p>15 Q And we don't have a signature for</p> <p>16 Sebastian Clarke. Do you know who signed on their</p> <p>17 behalf?</p> <p>18 MS. SMITH: Objection, form.</p> <p>19 BY MS. TOMKOWIAK:</p> <p>20 Q Strike that.</p> <p>21 Do you know if they signed this agreement?</p> <p>22 A I seem to recall it being executed, yes.</p> <p>23 Q Do you know by who?</p> <p>24 A Sebastian Clarke has independent directors</p> <p>25 of its own. They work at Summit Management.</p>

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<p>257</p> <p>1 Q What is Summit Management?</p> <p>2 A I believe it's similar to the two</p> <p>3 companies that Sentinel's independent directors</p> <p>4 worked at we mentioned earlier, a professional</p> <p>5 director services business.</p> <p>6 Q Is it affiliated with Highland in any way?</p> <p>7 A I don't believe so.</p> <p>8 Q Have you -- what is your understanding</p> <p>9 that Sebastian Clarke still has these assets based</p> <p>10 on?</p> <p>11 A I don't generally -- I don't have an</p> <p>12 understanding of why. I just assume that they're</p> <p>13 still there.</p> <p>14 Q So you don't know for sure, you just</p> <p>15 assume?</p> <p>16 A Correct.</p> <p>17 Q Is there a different way to get rid of</p> <p>18 worthless assets other than by transferring them</p> <p>19 to some other entity?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 A I'm sure you could write them off, maybe.</p> <p>22 I don't know. I'm not an accountant.</p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q I'm handing you what I will ask the court</p> <p>25 reporter to mark as Exhibit 79.</p>	<p>259</p> <p>1 you said earlier you received multiple reports; is</p> <p>2 that right?</p> <p>3 A There was generally one report per</p> <p>4 security.</p> <p>5 Q And so in 2018, you received one report</p> <p>6 per security?</p> <p>7 A I believe so.</p> <p>8 Q And same thing in 2019?</p> <p>9 A I believe so.</p> <p>10 Q And 2020?</p> <p>11 A I believe so.</p> <p>12 Q Had you received those reports prior to</p> <p>13 your resignation in 2021?</p> <p>14 A I don't remember seeing them this year.</p> <p>15 Q How did Sentinel identify VRC?</p> <p>16 A I don't know. I assume a referral from</p> <p>17 someone, but I don't know.</p> <p>18 Q If you turn to page 3, is that your</p> <p>19 handwriting?</p> <p>20 A Looks like it.</p> <p>21 Q Do you know what the handwriting means?</p> <p>22 Do you know what that notation means?</p> <p>23 A Looks like wire instructions and I'll -- I</p> <p>24 believe that \$2,000 -- or 2,000 number was the</p> <p>25 price per security valued.</p>
<p>258</p> <p>1 (Deposition Exhibit 79 marked for</p> <p>2 identification.)</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Let me know when you're ready.</p> <p>5 (Witness reviews document.)</p> <p>6 A Okay.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q Are you familiar with this document?</p> <p>9 A Not particularly.</p> <p>10 Q Well, you signed it. So were you familiar</p> <p>11 with it at the time?</p> <p>12 A I'm sure I was.</p> <p>13 Q And earlier today you spoke about Sentinel</p> <p>14 having a third party do an independent assessment</p> <p>15 or valuation analysis of its assets. Is this what</p> <p>16 you were referring to?</p> <p>17 A Yes.</p> <p>18 Q Is there -- other than this engagement,</p> <p>19 did you ever -- did you, and by you, I mean did</p> <p>20 Sentinel ever engage VRC to do any other valuation</p> <p>21 of assets?</p> <p>22 A It became an annual exercise.</p> <p>23 Q So annually, VRC performed a valuation?</p> <p>24 A That's right. And I -- yeah.</p> <p>25 Q Do you know when you received -- I think</p>	<p>260</p> <p>1 MS. SMITH: I'm going to raise another</p> <p>2 objection. It looks like y'all put the Sentinel</p> <p>3 account number on here without redacting it. So I</p> <p>4 would like these to be redacted.</p> <p>5 MS. TOMKOWIAK: I don't know if that is</p> <p>6 the Sentinel --</p> <p>7 THE WITNESS: It would be VRC's.</p> <p>8 MS. SMITH: Oh, it's VRC's.</p> <p>9 THE WITNESS: But still probably should</p> <p>10 be.</p> <p>11 MS. TOMKOWIAK: We'll look into that, but</p> <p>12 I don't think that's Sentinel's account.</p> <p>13 MS. SMITH: Okay.</p> <p>14 BY MS. TOMKOWIAK:</p> <p>15 Q Okay. And so you think that \$2,000 was</p> <p>16 the price of the valuation per security?</p> <p>17 A That sounds -- yeah, I believe so.</p> <p>18 Q If you look on page 2 where it says</p> <p>19 Required Information in bold, do you know who</p> <p>20 would be in charge of providing VRC with that</p> <p>21 information?</p> <p>22 A That probably would have been -- I</p> <p>23 probably would have coordinated that.</p> <p>24 Q Do you recall actually providing VRC with</p> <p>25 any of that information?</p>

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<p>261</p> <p>1 MS. SMITH: I'm going to object to the</p> <p>2 extent that it requires you to divulge privileged</p> <p>3 communications with counsel.</p> <p>4 <b>A I can't speak to the specific list, but we</b></p> <p>5 <b>provided them information to perform the</b></p> <p>6 <b>valuation.</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q That information came from you?</p> <p>9 <b>A I would have gathered it, yeah.</b></p> <p>10 Q How would you have provided it to them?</p> <p>11 By mail? By e-mail?</p> <p>12 <b>A Probably via e-mail.</b></p> <p>13 Q Would that have come from your SAS</p> <p>14 Management account?</p> <p>15 <b>A Most likely.</b></p> <p>16 Q Do you know who you sent that information</p> <p>17 to?</p> <p>18 <b>A Generally there were multiple people on</b></p> <p>19 <b>the e-mail, but my contact's name was Shane</b></p> <p>20 <b>Newell.</b></p> <p>21 Q And can you spell that?</p> <p>22 <b>A I think it's N-e-w-e-l-l, but don't hold</b></p> <p>23 <b>me to that.</b></p> <p>24 Q Was Shane your contact throughout the</p> <p>25 entire period of time from 2017 through 2020?</p>	<p>263</p> <p>1 (Deposition Exhibit 80 marked for</p> <p>2 identification.)</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q And then I'm also going to ask the court</p> <p>5 reporter to mark this as Exhibit 81.</p> <p>6 (Deposition Exhibit 81 marked for</p> <p>7 identification.)</p> <p>8 BY MS. TOMKOWIAK:</p> <p>9 Q So Exhibit 81 is a color copy of the page</p> <p>10 that's Bates-stamped UBSPROD2752264. Couldn't get</p> <p>11 it to print in color with the Bates stamp, so --</p> <p>12 but I thought having the color version available</p> <p>13 might be helpful.</p> <p>14 <b>A Okay.</b></p> <p>15 Q So that's what that is. If you can review</p> <p>16 Exhibits 80 and 81 and let me know when you're</p> <p>17 ready.</p> <p>18 (Witness reviews document.)</p> <p>19 <b>A Okay.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Okay. Are you -- do you recall seeing</p> <p>22 this e-mail before? Do you recall seeing -- do</p> <p>23 you recall seeing the e-mail in Exhibit 80 or do</p> <p>24 you recall what's being discussed in Exhibit 80?</p> <p>25 <b>A I don't recall the e-mail specifically,</b></p>
<p>262</p> <p>1 <b>A Yes.</b></p> <p>2 Q And did you ask VRC to evaluate the CLO</p> <p>3 assets that Sentinel held even prior to</p> <p>4 August 2017?</p> <p>5 <b>A Yes.</b></p> <p>6 Q Did you provide -- once Sentinel received</p> <p>7 the valuation report, did Sentinel provide them to</p> <p>8 anybody else?</p> <p>9 <b>A They would have been provided to Beecher</b></p> <p>10 <b>Carlson so they could prepare financial</b></p> <p>11 <b>statements.</b></p> <p>12 Q And anybody else?</p> <p>13 <b>A I don't think so.</b></p> <p>14 Q So earlier we looked at -- we looked at</p> <p>15 two endorsements to the ATE policy that contained</p> <p>16 a valuation of the assets that were provided to</p> <p>17 Sentinel. Was that number based on a valuation by</p> <p>18 VRC?</p> <p>19 <b>A I believe so. And I think at the year-end</b></p> <p>20 <b>audit, VRC did a valuation as of August and as of</b></p> <p>21 <b>December; so as of the time of transfer and as of</b></p> <p>22 <b>the year end, if I remember correctly.</b></p> <p>23 Q You can set that aside. Okay. I'm</p> <p>24 handing you what I will ask the court reporter to</p> <p>25 mark as Exhibit 80.</p>	<p>264</p> <p>1 <b>but I kind of understand what's being discussed,</b></p> <p>2 <b>yes.</b></p> <p>3 Q All right. So taking a look at it, who is</p> <p>4 Tom Adamczak?</p> <p>5 <b>A He works for Beecher Carlson.</b></p> <p>6 Q And do you understand why he's reaching</p> <p>7 out to Mr. Swadley here?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 <b>A It looks like he's trying to gather</b></p> <p>10 <b>information on the -- I think that's the tax</b></p> <p>11 <b>refund we discussed earlier.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q Do you know why he copied you?</p> <p>14 <b>A No.</b></p> <p>15 Q Okay. He says in his e-mail: I</p> <p>16 understand from discussion with Matt DiOrio that</p> <p>17 the tax refund receivable of 477,637 for Highland</p> <p>18 Financial Corp. was included and relates to a</p> <p>19 carryover of tax credits to 2017 tax return of</p> <p>20 Highland Financial Corp. (see attached).</p> <p>21 Do you recall this discussion with Mr. --</p> <p>22 am I pronouncing his name right; do you know?</p> <p>23 <b>A Adamczak, I think is right.</b></p> <p>24 Q Adamczak. Okay.</p> <p>25 <b>A I don't recall the specific discussion,</b></p>

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<p>265</p> <p>1 but we would have discussed this at some point.</p> <p>2 Q Do you know why he was asking questions</p> <p>3 about that tax refund at this time?</p> <p>4 A I assumed having to do with the audit.</p> <p>5 Q Okay. And if you look at Schedule A,</p> <p>6 which is the attached listing of assets, which is</p> <p>7 the one that I also provided to you in color as</p> <p>8 Exhibit 81.</p> <p>9 A Yes.</p> <p>10 Q Do you know who put this list together?</p> <p>11 A I don't.</p> <p>12 Q Do you know who marked it up and</p> <p>13 highlighted it?</p> <p>14 A I don't.</p> <p>15 Q Was it you?</p> <p>16 A I don't believe it was.</p> <p>17 Q Do you recognize whose handwriting that</p> <p>18 is?</p> <p>19 A I don't.</p> <p>20 Q Do you have any idea what H&amp;C stands for?</p> <p>21 A I don't.</p> <p>22 Q Could it be Hare &amp; Co; do you know?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 A Probably. Could be, yeah.</p> <p>25</p>	<p>267</p> <p>1 MS. SMITH: Objection, form.</p> <p>2 A I don't know.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q If you go back to Mr. Swadley's e-mail, he</p> <p>5 says -- I'm sorry. So then Mr. Adamczak sends</p> <p>6 that e-mail to Rick and then Rick Swadley forwards</p> <p>7 it to you, he copies Mr. Sevilla and Mr. Broadus.</p> <p>8 Who is that? Who is Mr. Broadus?</p> <p>9 A It's Paul Broadus.</p> <p>10 Q Broadus.</p> <p>11 A Worked in tax with Rick Swadley.</p> <p>12 Q Okay. And Mr. Swadley writes: I am not</p> <p>13 sure -- it's in the middle of his e-mail, the</p> <p>14 third sentence, maybe the fourth sentence. He</p> <p>15 says: I am not sure who determined that HFC's</p> <p>16 assets should be part of this transaction. I was</p> <p>17 only involved to the extent there would be any</p> <p>18 material tax consequences of transferring the</p> <p>19 assets that were ultimately identified as being</p> <p>20 part of the transaction.</p> <p>21 Do you know who determined that HFC's</p> <p>22 assets would be part of the transaction with</p> <p>23 Sentinel?</p> <p>24 A I don't.</p> <p>25 Q Did you have any discussions with</p>
<p>266</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q And do you -- and knowing what you know</p> <p>3 about these assets, so with your own knowledge,</p> <p>4 and I recognize that you did not do this</p> <p>5 highlighting yourself, does the green and orange</p> <p>6 highlighting have any significance to you?</p> <p>7 A Nothing outside of what the notes say.</p> <p>8 Green, original, transfer docs, not executed;</p> <p>9 Orange, Original, H&amp;C -- which I guess is Hare &amp;</p> <p>10 Co.</p> <p>11 Q Do you understand that for the Aberdeen</p> <p>12 security listed there, the transfer docs were not</p> <p>13 executed?</p> <p>14 A Do I understand that?</p> <p>15 Q Do you know that?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 A I don't know one way or the other.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Same thing with respect to the GSC?</p> <p>20 A I don't know.</p> <p>21 Q Same thing with respect to Highland -- I</p> <p>22 assume Financial Partners?</p> <p>23 A I don't know.</p> <p>24 Q Same thing with Highland Park on the other</p> <p>25 side of that?</p>	<p>268</p> <p>1 Mr. Swadley regarding any material tax</p> <p>2 consequences of transferring the assets?</p> <p>3 A I don't believe I did.</p> <p>4 Q Did you have any conversations with</p> <p>5 anybody else about any material tax consequences</p> <p>6 of transferring the assets?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 A I don't believe so.</p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q Did anybody express concerns that the IRS</p> <p>11 might have concerns with the transfer of the</p> <p>12 assets to Sentinel?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 A Not that I recall.</p> <p>15 BY MS. TOMKOWIAK:</p> <p>16 Q Or that the transfer of assets to Sentinel</p> <p>17 pursuant to the purchase agreement might be</p> <p>18 illegal in any way?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 And I caution you not to answer to the</p> <p>21 extent it reveals privileged information.</p> <p>22 A Not that I recall.</p> <p>23 BY MS. TOMKOWIAK:</p> <p>24 Q You can set that aside.</p> <p>25 A Both?</p>

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<p>269</p> <p>1 Q Both. I'm handing you what we have</p> <p>2 previously marked in this case as Exhibit 3. I</p> <p>3 see that you're already reviewing it. Just let me</p> <p>4 know when you're ready.</p> <p>5 <b>A Yeah. I've never seen this before.</b></p> <p>6 (Witness reviews document.)</p> <p>7 MS. SMITH: Sarah, what was the number on</p> <p>8 this one again?</p> <p>9 MS. TOMKOWIAK: It's No. 3.</p> <p>10 Do you have another one?</p> <p>11 MS. SMITH: Yeah, Shannon, if you have</p> <p>12 another one. Thank you.</p> <p>13 (Witness reviews document.)</p> <p>14 <b>A Okay. I didn't read every word, but I</b></p> <p>15 <b>think I get the gist of it.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Have you ever seen this document before?</p> <p>18 <b>A I have not.</b></p> <p>19 Q Had you ever heard at Highland that any</p> <p>20 analysis had been done regarding the tax</p> <p>21 consequences of the Sentinel acquisition of those</p> <p>22 assets?</p> <p>23 MS. SMITH: Objection.</p> <p>24 I'm going to caution you not to divulge</p> <p>25 any privileged information.</p>	<p>271</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Did that change at some point in time?</p> <p>3 <b>A Yes.</b></p> <p>4 Q And it changed through those endorsements</p> <p>5 that we looked at earlier?</p> <p>6 <b>A That's right.</b></p> <p>7 Q Is that how you would characterize it,</p> <p>8 that Sentinel paid \$25 million for the assets?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A That's not how I would -- I think of it,</b></p> <p>11 <b>but...</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q How do you think of it?</p> <p>14 <b>A That Sentinel accepted a number of assets,</b></p> <p>15 <b>a basket of securities, whatever you want to call</b></p> <p>16 <b>it, in exchange for a liability policy.</b></p> <p>17 Q The next sentence says: The aggregate</p> <p>18 fair market value of the assets on the date of the</p> <p>19 transaction was 105,647,679.</p> <p>20 Do you see that?</p> <p>21 <b>A I do.</b></p> <p>22 Q Have you ever seen that figure before?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 <b>A I believe it was -- I believe I learned of</b></p> <p>25 <b>it in reviewing the complaint, if I remember</b></p>
<p>270</p> <p>1 <b>A I never heard that at Highland, no.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Did you ever hear that at Sentinel?</p> <p>4 <b>A No.</b></p> <p>5 Q Do you know who Shawn Raver is?</p> <p>6 <b>A I've heard the name.</b></p> <p>7 Q But you don't know who he is?</p> <p>8 <b>A I've never met him before.</b></p> <p>9 Q Okay. Do you know that he worked with</p> <p>10 Mr. Swadley?</p> <p>11 <b>A That sounds right.</b></p> <p>12 Q If you look at page 2 of the document, and</p> <p>13 if you look at the last paragraph, it says: The</p> <p>14 aggregate purchase price paid by Sentinel for the</p> <p>15 assets was \$25 million.</p> <p>16 Do you see that?</p> <p>17 <b>A Yes.</b></p> <p>18 Q Do you agree with that?</p> <p>19 <b>A Do I agree that Sentinel paid \$25 million</b></p> <p>20 <b>for the assets?</b></p> <p>21 Q Yeah.</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 <b>A I guess when the policy was put in place,</b></p> <p>24 <b>yeah.</b></p> <p>25</p>	<p>272</p> <p>1 <b>correctly, that we were allowed to review.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Prior to reviewing the complaint, did you</p> <p>4 ever receive any documentation or any</p> <p>5 communication indicating that the fair market</p> <p>6 value of the assets that were transferred to</p> <p>7 Sentinel in exchange for the insurance policy was</p> <p>8 approximately 105 million?</p> <p>9 <b>A No.</b></p> <p>10 MS. SMITH: Objection.</p> <p>11 You can answer if it does not reveal any</p> <p>12 privileged information from counsel for Sentinel.</p> <p>13 <b>A No.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Do you know where Mr. Raver would have</p> <p>16 gotten this number?</p> <p>17 <b>A I have no idea.</b></p> <p>18 Q In your capacity as Sentinel's director,</p> <p>19 if the insureds believed that the fair market</p> <p>20 value of the assets that were transferred were</p> <p>21 over \$105 million, would you have wanted to know</p> <p>22 that?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 <b>A In my capacity as a director, would I have</b></p> <p>25 <b>wanted to know if the insureds believed their</b></p>

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<p>273</p> <p>1 assets were worth 105 million?</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q Yes.</p> <p>4 A I think it would have been irrelevant</p> <p>5 after we had our own third-party valuation done.</p> <p>6 Q Would you have expected them to negotiate</p> <p>7 for a higher limit of indemnity if they believed</p> <p>8 that what they were providing to Sentinel was</p> <p>9 greater than the coverage amount?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 A I'm not sure.</p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q Are you aware of any other insurance</p> <p>14 policy issued by Sentinel where the purchase price</p> <p>15 exceeds the amount of coverage?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 A I'm not aware of any, no.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q Are you okay to keep going?</p> <p>20 A Yeah.</p> <p>21 MS. TOMKOWIAK: You okay?</p> <p>22 THE WITNESS: Everybody else?</p> <p>23 MS. SMITH: We all good?</p> <p>24 MS. TOMKOWIAK: Are you good?</p> <p>25</p>	<p>275</p> <p>1 Q So to the best of your belief, you're the</p> <p>2 one that filled this out?</p> <p>3 A That's right.</p> <p>4 Q And then did you send it to somebody?</p> <p>5 A I mean, it had to be submitted somewhere.</p> <p>6 I just don't recall where.</p> <p>7 Q So you don't recall if you sent this to</p> <p>8 somebody by e-mail or mail or who you sent it to?</p> <p>9 A I'm sure it would have been an e-mail</p> <p>10 scan.</p> <p>11 Q Would you have done that yourself or would</p> <p>12 you have asked somebody to do it for you?</p> <p>13 A I would have done it myself.</p> <p>14 Q Did you have an assistant at Highland?</p> <p>15 A No.</p> <p>16 Q Did you have an assistant that -- well,</p> <p>17 for SAS?</p> <p>18 A No.</p> <p>19 Q Or for Sentinel?</p> <p>20 A No.</p> <p>21 Q Okay. And then did you receive any</p> <p>22 response to this letter?</p> <p>23 MS. SMITH: Objection, form.</p> <p>24 A To the redemption letter? I don't recall.</p> <p>25</p>
<p>274</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q I'm handing you what I will ask the court</p> <p>3 reporter to mark as Exhibit 82.</p> <p>4 (Deposition Exhibit 82 marked for</p> <p>5 identification.)</p> <p>6 (Witness reviews document.)</p> <p>7 A Okay. I've reviewed.</p> <p>8 BY MS. TOMKOWIAK:</p> <p>9 Q Okay. So earlier we discussed the fact</p> <p>10 that one of the assets that was transferred to</p> <p>11 Sentinel as part of the premium payment was an</p> <p>12 interest from CDO to -- in this Multi Strat fund.</p> <p>13 Do you recall that?</p> <p>14 A Yes.</p> <p>15 Q Okay. And you said that you believed that</p> <p>16 Sentinel had requested those shares to be</p> <p>17 redeemed?</p> <p>18 A Those and the rest of Sentinel's</p> <p>19 investment in Multi Strat, yes.</p> <p>20 Q Okay. And if you look at the document</p> <p>21 ended Bates 898, is this the request for</p> <p>22 redemption of shares that you were referring to?</p> <p>23 A Yes, it looks like it.</p> <p>24 Q Is that your handwriting?</p> <p>25 A I believe it is.</p>	<p>276</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q You don't recall if you did or not?</p> <p>3 A I don't recall receiving anything.</p> <p>4 Q At the top of this e-mail, Mike</p> <p>5 Throckmorton writes to you, Helen Kim, Surgent and</p> <p>6 David Klos, and he says: It appears the transfer</p> <p>7 from CDO Opportunity Fund to Reinsurance happened</p> <p>8 in August 2017, but I have not been able to find</p> <p>9 any transfer docs.</p> <p>10 Do you know -- earlier today you indicated</p> <p>11 that you believed that interest had been</p> <p>12 transferred to Sentinel in August 2017; is that</p> <p>13 right?</p> <p>14 A Yes.</p> <p>15 Q Do you know what documentation would exist</p> <p>16 in that respect?</p> <p>17 A If you'll recall, there was -- that</p> <p>18 Sentinel Re Holdings that's mentioned in this</p> <p>19 e-mail also held some interest in Multi Strat and</p> <p>20 I don't remember the specifics, I just remember</p> <p>21 trying to sort it out and have it all registered</p> <p>22 into Sentinel Reinsurance's name. So if they were</p> <p>23 looking for Sentinel Reinsurance and it was</p> <p>24 actually in Sentinel Re, because the names are</p> <p>25 similar, Sentinel Re Holdings, or whatever it's</p>

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<p>277</p> <p>1 <b>called, that could be it.</b></p> <p>2 Q Okay. But to the best of your belief,</p> <p>3 that transfer did happen in August 2017?</p> <p>4 <b>A Yes.</b></p> <p>5 Q Okay. And do you know if you submitted --</p> <p>6 this letter to me looks like it's incomplete</p> <p>7 because it's not signed or dated. Would you have</p> <p>8 done that before you sent it in?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A I believe a full -- fully signed filled</b></p> <p>11 <b>out form was submitted.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q And did you keep a copy of that?</p> <p>14 <b>A I don't think so.</b></p> <p>15 Q Do you know whether you would have signed</p> <p>16 this?</p> <p>17 <b>A I may have or it may have been another</b></p> <p>18 <b>director, other directors. They may have filled</b></p> <p>19 <b>it out, provided and signed. I just don't recall.</b></p> <p>20 Q Were you authorized to sign documents on</p> <p>21 Sentinel's behalf?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 <b>A Yes.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q How did Sentinel decide that it -- without</p>	<p>279</p> <p>1 <b>payments.</b></p> <p>2 Q Did Sentinel ever try to renegotiate the</p> <p>3 terms of those notes with anyone?</p> <p>4 <b>A Not that I recall.</b></p> <p>5 Q Okay. So if a payment wasn't made on a</p> <p>6 note, then Sentinel deemed it to be worthless?</p> <p>7 <b>A It was a year's worth of nonpayment.</b></p> <p>8 Q Were any of those notes past due?</p> <p>9 <b>A I don't believe so.</b></p> <p>10 Q Okay. So Sentinel deemed them to be</p> <p>11 worthless before the maturity date?</p> <p>12 <b>A I think so.</b></p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Why?</p> <p>16 <b>A Again, there was no -- there were no</b></p> <p>17 <b>payments coming in. Sentinel knew nothing really</b></p> <p>18 <b>about the substance of the notes.</b></p> <p>19 Q Did Sentinel attempt to reach out to the</p> <p>20 maker of those notes to figure out why they</p> <p>21 weren't making payments and whether they would</p> <p>22 make any payments in the future?</p> <p>23 <b>A I don't recall.</b></p> <p>24 Q And in your role at managing investment</p> <p>25 assets for Sentinel, don't you think that would be</p>
<p>278</p> <p>1 revealing the content of any conversations you had</p> <p>2 with counsel, how did Sentinel decide that it</p> <p>3 wanted to redeem its shares in Multi Strat?</p> <p>4 <b>A It was an idea I had, just uncertainty</b></p> <p>5 <b>with bankruptcy, with Highland filing bankruptcy,</b></p> <p>6 <b>what would happen with Multi Strat. So I flagged</b></p> <p>7 <b>it for the directors and suggested that we redeem</b></p> <p>8 <b>and they agreed.</b></p> <p>9 Q Okay.</p> <p>10 MS. TOMKOWIAK: Why don't we go ahead and</p> <p>11 take a break.</p> <p>12 THE VIDEOGRAPHER: We are off the record</p> <p>13 at 5:08 p.m.</p> <p>14 (Recess taken from 5:08 p.m. CDT to</p> <p>15 5:31 p.m. CDT)</p> <p>16 THE VIDEOGRAPHER: The time is 5:31 p.m.</p> <p>17 We are back on the record.</p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Mr. DiOrio, you testified before the break</p> <p>20 that certain of the promissory notes that were</p> <p>21 transferred to Sentinel were deemed worthless. Do</p> <p>22 you recall that?</p> <p>23 <b>A Yes.</b></p> <p>24 Q And how -- how were they deemed worthless?</p> <p>25 <b>A I don't believe they ever paid, made any</b></p>	<p>280</p> <p>1 something Sentinel would want to do?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>A I'm not sure.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q If there was a way for Sentinel to get</p> <p>6 more assets instead of writing something off or</p> <p>7 deeming it worthless, don't you think that would</p> <p>8 be worthwhile to do?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A Conceptually, sure.</b></p> <p>11 <b>BY MS. TOMKOWIAK:</b></p> <p>12 Q Does Sentinel still hold those notes</p> <p>13 today?</p> <p>14 <b>A Which notes?</b></p> <p>15 Q Well, for example, the -- I think it was</p> <p>16 about a \$32 million promissory note. Does it</p> <p>17 still hold that one?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A I believe that was transferred to</b></p> <p>20 <b>Sebastian Clarke.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q And to your knowledge, I think you</p> <p>23 testified that Sebastian Clarke still would hold</p> <p>24 that today?</p> <p>25 MS. SMITH: Objection to form.</p>

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<p>281</p> <p>1 <b>A I believe so.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q I'm going to hand you what's been</p> <p>4 previously marked as Exhibit 61. So Exhibit 61,</p> <p>5 there's a black-and-white copy and then there is a</p> <p>6 color copy attached to the end that I understand</p> <p>7 that that was what was agreed upon yesterday.</p> <p>8 Maybe agreed upon is the wrong word, but the same</p> <p>9 document was used yesterday in that format so that</p> <p>10 you could see the color version as well.</p> <p>11 <b>A Okay.</b></p> <p>12 Q Let me know when you're ready.</p> <p>13 (Witness reviews document.)</p> <p>14 <b>A I'm sorry. The second set is just the</b></p> <p>15 <b>same stuff but in color; is that correct?</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Yeah.</p> <p>18 <b>A Okay. Does it matter which one I look at?</b></p> <p>19 MS. SMITH: Use the colored one because</p> <p>20 she's going to -- she may ask you some questions</p> <p>21 and the shading doesn't show up on the black and</p> <p>22 white.</p> <p>23 THE WITNESS: Understood. Let me have a</p> <p>24 quick look, then.</p> <p>25 <b>A Sorry, should have started with these.</b></p>	<p>283</p> <p>1 lines are not. Do you agree with that?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>A I don't know.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Do you know if Starck, Ltd., for example,</p> <p>6 was a Highland affiliate?</p> <p>7 <b>A I don't believe I ever heard of Starck,</b></p> <p>8 <b>Ltd., before.</b></p> <p>9 Q What about The Dugaboy Investment Trust?</p> <p>10 <b>A I've heard the name.</b></p> <p>11 Q Do you know if that's a Highland</p> <p>12 affiliate?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I don't know much about it, so I don't</b></p> <p>15 <b>know.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q What about Mark Okada? Do you know if</p> <p>18 that's -- he's a Highland affiliate?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A He was a former owner or co-owner.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q Okay. And what about Sentinel Re? Would</p> <p>23 you consider that to be a Highland affiliate?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 <b>A I don't believe it was.</b></p>
<p>282</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q That's okay.</p> <p>3 (Witness reviews document.)</p> <p>4 <b>A Okay. I think I'm good.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q Okay. With respect to the attachments,</p> <p>7 have you ever seen that before or a chart like</p> <p>8 that?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A I don't recall ever seeing any of these</b></p> <p>11 <b>charts before.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q Do you recall seeing any other breakdown</p> <p>14 of investors in Multi Strat?</p> <p>15 <b>A I don't.</b></p> <p>16 Q Okay. If you look at the version that</p> <p>17 says Credit Ops Investors by NAV. You see that?</p> <p>18 <b>A Yeah, I have it open.</b></p> <p>19 Q Okay. Are you able to discern what the</p> <p>20 shading on this chart means?</p> <p>21 <b>A I'm not.</b></p> <p>22 Q Okay. From the math, it looks like that</p> <p>23 the nonshaded lines are the affiliates, the</p> <p>24 Highland affiliates, and the shaded lines are</p> <p>25 Highland affiliates -- I'm sorry, and the shaded</p>	<p>284</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q Okay. Why not?</p> <p>3 <b>A Why do I believe it wasn't an affiliate?</b></p> <p>4 Q Yes.</p> <p>5 <b>A As I think I said earlier -- well,</b></p> <p>6 <b>Sentinel Re Holdings also doesn't exist anymore.</b></p> <p>7 <b>Is that what you were talking about?</b></p> <p>8 Q No. I mean, I don't -- you say it doesn't</p> <p>9 exist anymore. This looks to me like it's dated</p> <p>10 October 30th, 2017. Did it exist at the time?</p> <p>11 <b>A Yes, but -- yes, it did.</b></p> <p>12 Q Okay. So at the time was that a Highland</p> <p>13 affiliate?</p> <p>14 <b>A I don't --</b></p> <p>15 MS. SMITH: Objection to form.</p> <p>16 <b>A I don't think it was.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q And why not?</p> <p>19 <b>A Again, not an attorney, but it's, you</b></p> <p>20 <b>know, a stand-alone Cayman company.</b></p> <p>21 Q Is that your same answer with respect to</p> <p>22 Sentinel Reinsurance?</p> <p>23 <b>A Yes.</b></p> <p>24 Q Mr. Colbert in the e-mail attachment sends</p> <p>25 this to Mr. Parker, amongst other folks, and says:</p>



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<p>285</p> <p>1 As discussed, please see the updated file with</p> <p>2 Sentinel being presented as an affiliated</p> <p>3 investor.</p> <p>4 Earlier today you mentioned that there was</p> <p>5 a big to-do, I think you said, I think those were</p> <p>6 your words, over Sentinel being presented as an</p> <p>7 affiliated investor. Is this what you were</p> <p>8 referring to?</p> <p>9 <b>A This is not what I was referring to.</b></p> <p>10 Q Okay. What were you referring to?</p> <p>11 <b>A I think as I stated earlier, it had</b></p> <p>12 <b>something to do with one of the real estate</b></p> <p>13 <b>investments Highland -- sorry, Sentinel held.</b></p> <p>14 Q Okay. And just to refresh, since that was</p> <p>15 this morning, what was the big to-do?</p> <p>16 <b>A That it was classified on some spreadsheet</b></p> <p>17 <b>as an affiliate and ultimately through compliance,</b></p> <p>18 <b>it was determined it was not an affiliate.</b></p> <p>19 Q And when you say through compliance, who</p> <p>20 are you referring to?</p> <p>21 <b>A I believe it was Lauren Thedford and</b></p> <p>22 <b>Tom Surgent.</b></p> <p>23 Q How did you come to learn about this real</p> <p>24 estate investment and this issue with Sentinel</p> <p>25 being presented as an affiliated investor?</p>	<p>287</p> <p>1 Q Okay. So then what was the context for</p> <p>2 that conversation?</p> <p>3 <b>A Again, just that it was on a sheet or</b></p> <p>4 <b>something that said Sentinel was listed as an</b></p> <p>5 <b>affiliate.</b></p> <p>6 Q Did you see the sheet?</p> <p>7 <b>A Probably.</b></p> <p>8 Q Do you have any other details about the</p> <p>9 sheet?</p> <p>10 <b>A I don't, none that I can recall.</b></p> <p>11 Q No other context for why people were</p> <p>12 working on the sheet or why people were upset that</p> <p>13 Sentinel was being presented as an affiliate?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 <b>A None that I recall.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Do you know why that mattered?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A I don't.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Did you ask?</p> <p>22 <b>A Probably not.</b></p> <p>23 Q Why not?</p> <p>24 <b>A I don't recall.</b></p> <p>25 Q Well, did you think it was important for</p>
<p>286</p> <p>1 <b>A I don't recall how it came to my</b></p> <p>2 <b>attention.</b></p> <p>3 Q Do you recall approximately when this was?</p> <p>4 <b>A Probably summer of maybe -- '18, maybe.</b></p> <p>5 <b>Maybe '19. I'm not entirely sure.</b></p> <p>6 Q Do you recall who told you about it?</p> <p>7 <b>A I don't.</b></p> <p>8 Q Do you recall anything at all about how</p> <p>9 you came to learn about this?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 <b>A I don't remember how it started, but I</b></p> <p>12 <b>know it ultimately -- there was a conversation, I</b></p> <p>13 <b>believe I spoke to Ms. Thedford and then</b></p> <p>14 <b>Mr. Surgent at some point.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q So why were you speaking to Ms. Thedford</p> <p>17 about this?</p> <p>18 <b>A I think because she knew I worked --</b></p> <p>19 <b>provided service to Sentinel.</b></p> <p>20 Q So was she informing you of this</p> <p>21 conclusion?</p> <p>22 <b>A Informing me of what conclusion?</b></p> <p>23 Q That Sentinel was not an affiliated</p> <p>24 investor.</p> <p>25 <b>A I don't believe so.</b></p>	<p>288</p> <p>1 you to know as a director of Sentinel whether or</p> <p>2 not Sentinel was an affiliate of Highland or not?</p> <p>3 <b>A Yeah. My general understanding is that it</b></p> <p>4 <b>was not an affiliate.</b></p> <p>5 Q Okay. But you don't know why that</p> <p>6 mattered?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 <b>A Why it mattered whether it was or was not</b></p> <p>9 <b>an affiliate? I don't know why it matters.</b></p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Did Ms. Thedford tell you why that</p> <p>12 mattered?</p> <p>13 <b>A I don't believe so.</b></p> <p>14 Q Did Mr. Surgent tell you why that</p> <p>15 mattered?</p> <p>16 <b>A I don't believe so.</b></p> <p>17 Q If you had already talked to Ms. Thedford,</p> <p>18 why did you need to talk to Mr. Surgent?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A Generally anything compliance related</b></p> <p>21 <b>would lead up to Mr. Surgent. He was the chief</b></p> <p>22 <b>compliance officer.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q So did you approach him about this?</p> <p>25 <b>A I don't remember.</b></p>

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<p>289</p> <p>1 Q Did he approach you?</p> <p>2 A <b>Probably not.</b></p> <p>3 Q Okay. So you probably approached him?</p> <p>4 A <b>Ms. Thedford may have approached him, I</b></p> <p>5 <b>may have approached him. I don't recall.</b></p> <p>6 Q Was Ms. Thedford there when you spoke to</p> <p>7 Mr. Surgent?</p> <p>8 A <b>I don't recall.</b></p> <p>9 Q And what did Mr. Surgent say to you?</p> <p>10 A <b>I think the ultimate outcome was that</b></p> <p>11 <b>Sentinel Reinsurance was not an affiliate, if I</b></p> <p>12 <b>remember correctly.</b></p> <p>13 Q Was this a meeting in his office?</p> <p>14 A <b>Maybe, but I sat right outside his office,</b></p> <p>15 <b>so people were in and out.</b></p> <p>16 Q But you recall this being in person?</p> <p>17 A <b>I believe so.</b></p> <p>18 Q And do you know how long that conversation</p> <p>19 lasted?</p> <p>20 A <b>I don't.</b></p> <p>21 Q Five minutes? An hour? Two hours?</p> <p>22 A <b>It was probably short.</b></p> <p>23 Q Okay. And do you recall if he provided</p> <p>24 you any reasoning for that conclusion?</p> <p>25 A <b>I don't recall.</b></p>	<p>291</p> <p>1 with Ms. Thedford or Mr. Surgent?</p> <p>2 A <b>Not that I recall.</b></p> <p>3 Q Did you discuss that with Scott Ellington?</p> <p>4 A <b>When?</b></p> <p>5 Q Any time.</p> <p>6 A <b>I had heard him say it's not an affiliate.</b></p> <p>7 Q When did you hear him say that?</p> <p>8 A <b>I heard it -- I don't remember</b></p> <p>9 <b>specifically, but something I had heard before.</b></p> <p>10 Q Can you put any time frame around that?</p> <p>11 Was that before you -- after you became a director</p> <p>12 of Sentinel?</p> <p>13 A <b>Most likely.</b></p> <p>14 Q And you don't recall any other context?</p> <p>15 A <b>I don't.</b></p> <p>16 Q Okay. I'm handing the court reporter a</p> <p>17 document to mark as Exhibit 83. The Bates number</p> <p>18 got cut off at the bottom, so I wrote it on there</p> <p>19 just so that we can refer to it in that way and we</p> <p>20 can replace the official copy with that version.</p> <p>21 MS. TOMKOWIAK: I only have two of those.</p> <p>22 I'm sorry.</p> <p>23 (Deposition Exhibit 83 marked for</p> <p>24 identification.)</p> <p>25 (Witness reviews document.)</p>
<p>290</p> <p>1 Q Did he ever provide you with that</p> <p>2 conclusion in writing?</p> <p>3 A <b>I don't remember. I don't know.</b></p> <p>4 Q Did you ask for it to be in writing?</p> <p>5 A <b>I don't know.</b></p> <p>6 Q Did you do anything with that information?</p> <p>7 A <b>Not that I recall.</b></p> <p>8 Q So then do you know why it was being</p> <p>9 provided to you?</p> <p>10 A <b>Why it was being provided to me? Why what</b></p> <p>11 <b>was being provided to me?</b></p> <p>12 Q Why did you need to know whether or not</p> <p>13 Sentinel was an affiliate?</p> <p>14 A <b>Again, I think it was a question that came</b></p> <p>15 <b>up somehow and I think it was generally known that</b></p> <p>16 <b>I worked on Sentinel -- or provided service for</b></p> <p>17 <b>Sentinel Reinsurance, so...</b></p> <p>18 Q And you don't recall how the question came</p> <p>19 up?</p> <p>20 A <b>I don't.</b></p> <p>21 Q Did you ever ask whether or not Sentinel</p> <p>22 was an affiliate?</p> <p>23 A <b>It was my understanding that it was not.</b></p> <p>24 Q And was that understanding based on</p> <p>25 anything other than the conversations that you had</p>	<p>292</p> <p>1 A <b>Okay.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Okay. Do you -- are you familiar with</p> <p>4 these documents?</p> <p>5 A <b>I just refamiliarized myself, yes.</b></p> <p>6 Q Okay. Is that your signature on the</p> <p>7 signature of transfer?</p> <p>8 A <b>I believe it is.</b></p> <p>9 Q Okay. And do you know why in</p> <p>10 February 2019, you issued a power of attorney to</p> <p>11 transfer shares in the Greenbriar CLO and</p> <p>12 Stratford CLO to CIBC bank?</p> <p>13 A <b>I believe this was to register -- or to</b></p> <p>14 <b>make it so the cash distributions went directly to</b></p> <p>15 <b>CIBC.</b></p> <p>16 Q Okay. Prior to this time, where were the</p> <p>17 cash distributions going to?</p> <p>18 A <b>They would be received at some custody</b></p> <p>19 <b>account in somewhere -- I think State Street, I</b></p> <p>20 <b>think is where it went.</b></p> <p>21 Q Okay. And I think earlier today we</p> <p>22 testified that there -- you testified that there</p> <p>23 had been an issue with respect to certain of the</p> <p>24 certificates with respect to the Greenbriar CLO;</p> <p>25 is that right?</p>

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<p>293</p> <p>1 <b>A That's right.</b></p> <p>2 Q So at this point in time, did you believe</p> <p>3 that Sentinel Reinsurance had those certificates?</p> <p>4 <b>A This is a different amount of Greenbriar.</b></p> <p>5 <b>I'm not sure if it's the same share class or not.</b></p> <p>6 Q Okay. So this is one that you believe</p> <p>7 Sentinel did actually take and have custody of?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 <b>A I don't know where the actual shares went,</b></p> <p>10 <b>but I believe this paperwork was to just directly</b></p> <p>11 <b>make sure the cash distributions directly went to</b></p> <p>12 <b>Sentinel's custody account.</b></p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q And did they, in fact, at this time go to</p> <p>15 Sentinel's CIBC account?</p> <p>16 <b>A I believe they did.</b></p> <p>17 Q Do you know whose signature that is,</p> <p>18 witness to signatures of transfer?</p> <p>19 <b>A I don't.</b></p> <p>20 Q Do you know why this document was sitting</p> <p>21 on your desk in February of 2021?</p> <p>22 MS. SMITH: Objection, form.</p> <p>23 <b>A I don't.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q Do you recall reviewing it in February of</p>	<p>295</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q You don't recall who you -- if you wrote</p> <p>3 anybody in that line and if so, who?</p> <p>4 <b>A Right.</b></p> <p>5 Q Do you have any reason -- is there any</p> <p>6 reason why you would have redacted or shaded out</p> <p>7 that information?</p> <p>8 <b>A No.</b></p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A None that I can think of.</b></p> <p>11 <b>BY MS. TOMKOWIAK:</b></p> <p>12 Q Okay. You can set that aside.</p> <p>13 Mr. DiOrio, do you know who's paying for your</p> <p>14 counsel's fees in this matter?</p> <p>15 <b>A I don't.</b></p> <p>16 Q You don't? Are you?</p> <p>17 <b>A I haven't -- I don't think so. I haven't</b></p> <p>18 <b>paid anything.</b></p> <p>19 Q Okay. And you don't know if you will have</p> <p>20 to pay anything?</p> <p>21 <b>A That's right.</b></p> <p>22 Q Is your employer paying for your counsel's</p> <p>23 fees?</p> <p>24 <b>A My current employer?</b></p> <p>25 Q Yes.</p>
<p>294</p> <p>1 2021?</p> <p>2 <b>A I don't.</b></p> <p>3 Q Do you know how the par value is</p> <p>4 determined?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 <b>A The par value?</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q Uh-huh.</p> <p>9 <b>A I believe it's determined when the</b></p> <p>10 <b>securities are established.</b></p> <p>11 Q Okay. So where would you have gotten that</p> <p>12 information?</p> <p>13 <b>A It may say it on the certificates. I</b></p> <p>14 <b>think it says it on there.</b></p> <p>15 Q Okay. So do you recall going to look at</p> <p>16 the certificates for that information?</p> <p>17 <b>A I don't recall going to look at it, but I</b></p> <p>18 <b>think all the CLOs had the same one cent par</b></p> <p>19 <b>value.</b></p> <p>20 Q Do you know who you appointed as your</p> <p>21 lawful attorney? Looks to us like that was shaded</p> <p>22 out.</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 <b>A I don't.</b></p> <p>25</p>	<p>296</p> <p>1 <b>A I don't know.</b></p> <p>2 Q What about your former employer?</p> <p>3 <b>A I don't know.</b></p> <p>4 Q Do you know when you're going to find out?</p> <p>5 <b>A I don't.</b></p> <p>6 MS. TOMKOWIAK: I am handing the court</p> <p>7 reporter a document to mark as Exhibit 83 -- 84.</p> <p>8 I only have two of these too. I'm sorry.</p> <p>9 (Deposition Exhibit 84 marked for</p> <p>10 identification.)</p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Let me know when you're ready.</p> <p>13 (Witness reviews document.)</p> <p>14 <b>A Okay.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q Have you seen a version of this</p> <p>17 presentation before?</p> <p>18 <b>A Yes.</b></p> <p>19 Q Do you know who drafted it?</p> <p>20 <b>A I believe it was a collaborative effort.</b></p> <p>21 Q Who was involved in the collaboration?</p> <p>22 <b>A It would have been myself and Mr. Sevilla</b></p> <p>23 <b>and possibly Katie Irving.</b></p> <p>24 Q Okay. What was Katie Irving's role with</p> <p>25 respect to Sentinel?</p>

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<p>297</p> <p>1 <b>A She didn't really have one, generally.</b></p> <p>2 Q Why is she helping to put together this</p> <p>3 presentation?</p> <p>4 <b>A I'm not entirely sure.</b></p> <p>5 Q You --</p> <p>6 <b>A I don't remember.</b></p> <p>7 Q Well, you had a chance to flip through it.</p> <p>8 Are there any parts of this presentation that</p> <p>9 would have -- you believe would have come from</p> <p>10 Ms. Irving specifically?</p> <p>11 <b>A No.</b></p> <p>12 Q Who's Lauren Baker?</p> <p>13 <b>A She is -- she was at one point an admin at</b></p> <p>14 <b>Highland now I think, and then she moved to PR,</b></p> <p>15 <b>marketing, something like that.</b></p> <p>16 Q So when Katie is asking Lauren to help put</p> <p>17 these together, you believe that Lauren's job was</p> <p>18 just more administrial, just to bind these</p> <p>19 presentations together?</p> <p>20 MS. SMITH: Objection to form.</p> <p>21 <b>A I believe so.</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q Do you believe that this is the final</p> <p>24 version of the presentation?</p> <p>25 <b>A I can't say one way or the other. It</b></p>	<p>299</p> <p>1 <b>asking her to print something.</b></p> <p>2 Q Okay. So Ms. Irving had a relationship</p> <p>3 with Ms. Baker. I mean, was that your</p> <p>4 understanding?</p> <p>5 <b>A More so than I would have, yeah.</b></p> <p>6 Q Okay. So you believe that Ms. Baker would</p> <p>7 have been helping you out because Ms. Goldsmith</p> <p>8 might have been out of the office; is that what</p> <p>9 you're saying?</p> <p>10 <b>A That's right.</b></p> <p>11 Q And do you -- did you -- did you actually</p> <p>12 give this presentation to CIMA?</p> <p>13 <b>A I believe we did, yes.</b></p> <p>14 Q Okay. And who is we?</p> <p>15 <b>A I believe myself and Mr. Sevilla.</b></p> <p>16 Q Anybody else?</p> <p>17 <b>A I don't recall if anyone else was in</b></p> <p>18 <b>there.</b></p> <p>19 Q And was this an in-person meeting?</p> <p>20 <b>A Yes.</b></p> <p>21 Q Did Mr. Sevilla travel with you to the</p> <p>22 Cayman Islands to provide -- to give presentations</p> <p>23 to CIMA?</p> <p>24 MS. SMITH: Objection to form.</p> <p>25 <b>A He did on this one, yes.</b></p>
<p>298</p> <p>1 <b>doesn't indicate draft or otherwise.</b></p> <p>2 Q Did you typically wait until you had the</p> <p>3 final version of a presentation to have it bound?</p> <p>4 <b>A Generally, I think so.</b></p> <p>5 Q So again, do you know why Ms. Irving would</p> <p>6 have been helping you put this presentation</p> <p>7 together?</p> <p>8 <b>A She --</b></p> <p>9 MS. SMITH: Objection, form.</p> <p>10 <b>A She may have just been helping us get it</b></p> <p>11 <b>bound. If Lauren Baker, now Short, wasn't doing</b></p> <p>12 <b>it -- or was doing it, that would mean that the</b></p> <p>13 <b>legal group admin was out.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Was Katie Irving in the legal group at the</p> <p>16 time?</p> <p>17 <b>A Yes. In private equity.</b></p> <p>18 Q Okay. Is there a reason that you or</p> <p>19 Mr. Sevilla couldn't have e-mailed Ms. Baker and</p> <p>20 asked her to print this out or bind it and print</p> <p>21 it out?</p> <p>22 <b>A I don't want to speak for Mr. Sevilla, but</b></p> <p>23 <b>the only admin I knew at Highland was Sarah</b></p> <p>24 <b>Goldsmith, and I wouldn't have felt comfortable</b></p> <p>25 <b>just randomly e-mailing a different admin and</b></p>	<p>300</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q Did he go on any other ones -- let me</p> <p>3 strike that.</p> <p>4 Did Mr. Sevilla -- is that the only time</p> <p>5 that he traveled with you to the Cayman Islands</p> <p>6 with respect to -- well, is that the only time</p> <p>7 that you and Mr. Sevilla traveled to the Cayman</p> <p>8 Islands together?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A No. I mentioned before, we met with CIMA</b></p> <p>11 <b>twice so he would have attended both meetings.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q Okay. Before, you talked about you and</p> <p>14 Mr. Ellington, so I wasn't aware that Mr. Sevilla</p> <p>15 was there. Did anybody else besides you,</p> <p>16 Mr. Ellington and Mr. Sevilla go to the Cayman</p> <p>17 Islands to meet with CIMA?</p> <p>18 <b>A Yes. And you didn't ask before, which is</b></p> <p>19 <b>why I didn't offer it. Katie Irving would have</b></p> <p>20 <b>been on those trips as well.</b></p> <p>21 Q Okay. Anybody else?</p> <p>22 <b>A I believe that's it.</b></p> <p>23 Q Okay. So I will ask again, what was</p> <p>24 Ms. Irving's role with respect to Sentinel?</p> <p>25 <b>A She really didn't have one.</b></p>

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<p>301</p> <p>1 Q Then why did she travel with you to the 2 Cayman Islands?</p> <p>3 <b>A I don't know.</b></p> <p>4 Q Just wanted to go to the Cayman Islands?</p> <p>5 <b>A I don't --</b></p> <p>6 MS. SMITH: Objection to form.</p> <p>7 <b>A I don't set the roster for trips.</b></p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q Okay. Who did?</p> <p>10 <b>A Generally Mr. Ellington.</b></p> <p>11 Q Okay. So is it your -- to the best of 12 your knowledge, Mr. Ellington invited Ms. Irving 13 to these trips?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 <b>A I don't know.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q So Ms. Irving just showed up at the 18 airport and you have no idea why?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A I don't want to assume. I didn't hear an 21 invite. I didn't hear an invite extended. She 22 most likely didn't just show up at the airport.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q You didn't ask her, hey, why are you here?</p> <p>25 <b>A No.</b></p>	<p>303</p> <p>1 that, were those expenses submitted to Sentinel's 2 independent directors for approval?</p> <p>3 <b>A I never processed an expense for 4 Ms. Irving that I can remember or submit an 5 expense.</b></p> <p>6 Q What about for Mr. Sevilla?</p> <p>7 <b>A Same.</b></p> <p>8 Q What about for yourself? I believe, but 9 maybe I'm wrong, let me know, that you submitted 10 your own expenses for these trips to 11 Sentinel [sic]. Is that correct or no?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 <b>A Once I had one expense. Generally 14 Mr. Ellington would pay for everything and just -- 15 he would be reimbursed.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q So once you submitted -- one time you 18 submitted to Sentinel expenses for a trip to the 19 Cayman Islands; is that right?</p> <p>20 <b>A That was for a dinner.</b></p> <p>21 Q For a dinner. Is that the only 22 Sentinel-related expense that you incurred 23 personally that you submitted to Sentinel's 24 directors for reimbursement?</p> <p>25 <b>A That's the only one I can think of, yeah.</b></p>
<p>302</p> <p>1 Q Okay. Did she attend the meeting?</p> <p>2 <b>A I believe so.</b></p> <p>3 Q Okay. Did she just sit there?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 <b>A I believe so.</b></p> <p>6 <b>BY MS. TOMKOWIAK:</b></p> <p>7 Q Who spoke at these meetings?</p> <p>8 <b>A Myself and Mr. Sevilla.</b></p> <p>9 Q Mr. Ellington didn't speak?</p> <p>10 <b>A I don't remember him speaking.</b></p> <p>11 Q Who paid for Ms. Irving to travel to these 12 meetings that she didn't speak at?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I'm not -- I'm not entirely sure who paid 15 for her --</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Is that -- sorry. Go ahead.</p> <p>18 <b>A I'm not sure who paid for her 19 specifically.</b></p> <p>20 Q Is that an expense that was submitted to 21 Sentinel's directors for approvment, for their 22 approval?</p> <p>23 <b>A Was what an expense?</b></p> <p>24 Q Her trips to the Cayman Islands. Her 25 hotels, her flights, her meals, anything like</p>	<p>304</p> <p>1 Q Okay. So every other time that you went 2 to Cayman Islands for Sentinel matters, 3 Mr. Ellington paid all of your expenses?</p> <p>4 <b>A That's correct.</b></p> <p>5 Q And you don't know if he also paid 6 Mr. Sevilla's expenses?</p> <p>7 <b>A I believe he paid for the group or -- paid 8 for the group.</b></p> <p>9 Q Okay. So earlier you testified that 10 Sentinel would have paid if these trips were 11 Sentinel related. So were you just mistaken 12 earlier?</p> <p>13 <b>A How would I be mistaken?</b></p> <p>14 Q Well, I asked you did Sentinel -- when we 15 were talking about the Cayman trips earlier today, 16 I asked you did Sentinel pay for them and you said 17 yes, they would have paid if it was Sentinel 18 related.</p> <p>19 <b>A Right.</b></p> <p>20 Q Okay. So were these trips -- these trips 21 to talk to CIMA about Sentinel were not Sentinel 22 related?</p> <p>23 <b>A They were.</b></p> <p>24 Q Okay.</p> <p>25 <b>A Mr. Ellington would pay and be reimbursed.</b></p>

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<p>305</p> <p>1 Q So Mr. Ellington submitted expenses to 2 Sentinel and then Sentinel would approve them? 3 <b>A He would submit them to me and then I</b> 4 <b>would submit them to -- again, the same process we</b> 5 <b>outlined earlier.</b> 6 Q Okay. 7 <b>A And it was all up to the directors to</b> 8 <b>approve them.</b> 9 Q So on both of the trips in 2019 to meet 10 with CIMA, did the four of you attend both of 11 those trips? 12 <b>A I believe so.</b> 13 Q And during both of those meetings, were 14 you and Mr. Sevilla the only persons who 15 presented? 16 <b>A That's my recollection, yeah.</b> 17 Q How long did those meetings last? 18 <b>A Probably an hour or so.</b> 19 Q Okay. How long were you in the Cayman 20 Islands for? 21 <b>A I don't recall.</b> 22 Q Did you fly in for the meeting and fly out 23 that same day? 24 <b>A No.</b> 25 Q On any of your other trips to the Cayman</p>	<p>307</p> <p>1 Q Okay. So you went to CIMA the next day. 2 MS. SMITH: Objection, form. 3 BY MS. TOMKOWIAK: 4 Q If you look at Slide 2, it refers to a 5 meeting with CIMA on June 25th, 2019. 6 <b>A I see that.</b> 7 Q Okay. And is that the first meeting that 8 you reference where the four of you, you, 9 Mr. Sevilla, Ms. Irving and Mr. Ellington traveled 10 to the Cayman Islands to meet with CIMA? 11 <b>A I think so.</b> 12 Q And August 7th was the second meeting? 13 <b>A I think so.</b> 14 Q And were there any other meetings with 15 CIMA in the Cayman Islands that year? 16 <b>A Not that I'm aware of.</b> 17 Q Did CIMA ask you to come back to the 18 Cayman Islands for a follow-up meeting? 19 <b>A I don't recall if they asked or not.</b> 20 Q Who was present at this meeting from CIMA? 21 <b>A I'm not going to remember their names, but</b> 22 <b>people from the insurance division.</b> 23 Q How many? 24 <b>A Three or four.</b> 25 Q And did you put your presentation on a</p>
<p>306</p> <p>1 Islands with Mr. Ellington, did anybody else 2 attend with you? 3 <b>A I went once with Mr. Ellington and</b> 4 <b>Mr. Surgent.</b> 5 Q Okay. And what was the purpose of that 6 trip? 7 <b>A A conference.</b> 8 Q For what? 9 <b>A Like alternative investments.</b> 10 Q Any other trips that you can think of 11 where you went to the Cayman Islands with 12 Mr. Ellington where somebody else attended? 13 <b>A No one outside of the group we mentioned.</b> 14 Q Okay. So Ms. Irving is sending this to 15 Ms. Baker on Tuesday, August 6th. Do you see 16 that? 17 <b>A Yes.</b> 18 Q Okay. And the presentation is dated 19 August 7th, 2019. So was Ms. Baker binding them 20 in the next hour for you to take on the plane with 21 you? 22 <b>A Possibly.</b> 23 Q Do you recall taking presentations with 24 you on the plane to CIMA? 25 <b>A Yes.</b></p>	<p>308</p> <p>1 screen for them? 2 <b>A I think we had printouts.</b> 3 Q Bound printouts? 4 <b>A (Nods head.)</b> 5 Q Okay. On Slide 3, Slide 3 is UBS versus 6 Insureds. Do you agree that relates -- that this 7 slide is referencing the UBS litigation that's the 8 subject of the ATE policy? 9 <b>A Yes.</b> 10 Q Okay. Who would have put the -- who would 11 have drafted this slide? 12 <b>A This slide, probably Mr. Sevilla.</b> 13 Q You don't recall drafting any part of 14 this? 15 <b>A This particular slide?</b> 16 Q Yes. 17 <b>A I wouldn't have written this slide.</b> 18 Q Where would Mr. Sevilla have gotten this 19 information? 20 MS. SMITH: Objection, form. 21 <b>A Not sure.</b> 22 BY MS. TOMKOWIAK: 23 Q Okay. If you see the last bullet, it 24 says: Assuming the insureds lose on liability but 25 win their damages arguments, insured damages could</p>

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<p>309</p> <p>1 be as low as 6 million.</p> <p>2 Do you recall ever being told in your</p> <p>3 capacity as a director at Sentinel that damages</p> <p>4 could be as low as 6 million?</p> <p>5 MS. SMITH: Objection.</p> <p>6 I'm going to caution you not to divulge</p> <p>7 any privileged information.</p> <p>8 <b>A I think in the actuarial table, I think I</b></p> <p>9 <b>had seen something around that number.</b></p> <p>10 <b>BY MS. TOMKOWIAK:</b></p> <p>11 Q Okay. And then you're conveying that to</p> <p>12 CIMA, right?</p> <p>13 <b>A It looks like it, yeah.</b></p> <p>14 Q Okay. Do you recall any analysis of how</p> <p>15 high insured damages could be?</p> <p>16 <b>A With respect to Sentinel, it would have</b></p> <p>17 <b>been the limit of the policy.</b></p> <p>18 Q Okay. But that's a slightly different</p> <p>19 point. I mean, do you recall anybody doing any</p> <p>20 analysis of how -- about the size of a potential</p> <p>21 judgment against the funds even if it exceeded</p> <p>22 Sentinel's insurance policy?</p> <p>23 <b>A I don't recall specifics.</b></p> <p>24 Q Do you know why CIMA wanted -- did CIMA</p> <p>25 request this information?</p>	<p>311</p> <p>1 have just put this together himself?</p> <p>2 <b>A The entire presentation?</b></p> <p>3 Q No, this slide.</p> <p>4 <b>A I mean, I'm better than him at PowerPoint.</b></p> <p>5 <b>It's easy for me to do.</b></p> <p>6 Q And what did Mr. Sevilla tell you about</p> <p>7 how the ATE opportunity arose in June of 2017?</p> <p>8 <b>A I don't remember specifics. We were just</b></p> <p>9 <b>filling out kind of bubbles on a slide.</b></p> <p>10 Q Bubbles on -- I'm sorry, go ahead.</p> <p>11 <b>A It's more about getting the presentation</b></p> <p>12 <b>done. I didn't ask follow-up questions to every</b></p> <p>13 <b>bullet point provided.</b></p> <p>14 Q Well, were you the person in charge of</p> <p>15 presenting the slide?</p> <p>16 <b>A We presented the presentation together. I</b></p> <p>17 <b>don't recall who spoke to which slide.</b></p> <p>18 Q Okay. But you're speaking to a regulatory</p> <p>19 authority, so I assume you would have wanted to be</p> <p>20 knowledgeable about the information on the slide,</p> <p>21 right?</p> <p>22 <b>A That's correct.</b></p> <p>23 Q Okay. And you just don't remember knowing</p> <p>24 anything about how the ATE opportunity actually</p> <p>25 arose in June of 2017?</p>
<p>310</p> <p>1 <b>A I believe this was a result of the</b></p> <p>2 <b>inspection -- or part of the inspection that I</b></p> <p>3 <b>mentioned earlier.</b></p> <p>4 Q Okay. And this was their five-year</p> <p>5 inspection?</p> <p>6 <b>A Yes.</b></p> <p>7 Q If you look at the second -- I'm sorry,</p> <p>8 the next slide. I don't know why some slides have</p> <p>9 numbers and some don't. Have you seen a version</p> <p>10 of this policy timeline before?</p> <p>11 <b>A Yes.</b></p> <p>12 Q Okay. Who would have put this together?</p> <p>13 <b>A I would have put most of this together.</b></p> <p>14 Q Okay. So the first thing on here is</p> <p>15 June 2017, ATE opportunity arises. What does that</p> <p>16 mean?</p> <p>17 <b>A I think it's referring to when this</b></p> <p>18 <b>ATE policy may have been contemplated.</b></p> <p>19 Q Well, where did you get that information?</p> <p>20 <b>A Probably Mr. Sevilla.</b></p> <p>21 Q Probably Mr. Sevilla. So do you recall</p> <p>22 one way or the other?</p> <p>23 <b>A I don't.</b></p> <p>24 Q Okay. So if you got that from</p> <p>25 Mr. Sevilla, is there some reason why he wouldn't</p>	<p>312</p> <p>1 <b>A I would have asked further questions if I</b></p> <p>2 <b>was presenting by myself, but things I didn't</b></p> <p>3 <b>know, I knew Mr. Sevilla could speak to.</b></p> <p>4 Q So if CIMA had a question about that, you</p> <p>5 would have deflected that to Mr. Sevilla?</p> <p>6 <b>A That's right.</b></p> <p>7 Q And you in your capacity as a director of</p> <p>8 Sentinel didn't care about knowing how the</p> <p>9 opportunity arose?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 <b>A I came to -- you know, when I was</b></p> <p>12 <b>appointed, the policy was in place. So I don't</b></p> <p>13 <b>think I went and had a look back of however many</b></p> <p>14 <b>months prior.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q Okay. The next thing on this timeline is</p> <p>17 July 2017. Diligence performed on the potential</p> <p>18 insureds and underlying litigation and risk</p> <p>19 surrounding directors, engage counsel, actuary and</p> <p>20 other service providers.</p> <p>21 Who provided you with that information?</p> <p>22 <b>A I think anything prior to the January 2018</b></p> <p>23 <b>bullet on the -- or portion of the timeline would</b></p> <p>24 <b>have come from Mr. Sevilla.</b></p> <p>25 Q Well, you became a director of Sentinel in</p>

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<p>1 September of 2019 -- of 2017, right?</p> <p>2 <b>A That's right.</b></p> <p>3 Q Okay. So you're just making that</p> <p>4 distinction because the only other thing before</p> <p>5 January 2018 is this August 2017?</p> <p>6 <b>A That's right.</b></p> <p>7 Q Okay. So with respect to August 2017 --</p> <p>8 I'm sorry. With respect to July 2017, you don't</p> <p>9 know what diligence Sentinel performed on the</p> <p>10 potential insureds and the underlying litigation</p> <p>11 and risk?</p> <p>12 <b>A That's right.</b></p> <p>13 Q And you didn't ask Sentinel when you</p> <p>14 joined the board what diligence it had performed</p> <p>15 before issuing a \$100 million policy?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 <b>A I didn't. The policy was active and as I</b></p> <p>18 <b>understood it, already approved by CIMA.</b></p> <p>19 <b>BY MS. TOMKOWIAK:</b></p> <p>20 Q Do you know when CIMA approved the policy?</p> <p>21 <b>A I don't.</b></p> <p>22 Q Do you know how they approved the policy?</p> <p>23 <b>A I don't.</b></p> <p>24 Q Who told you that they had approved the</p> <p>25 policy?</p>	<p>313</p> <p>1 Q Okay. And then with respect to June,</p> <p>2 where the auditors and actuary recommend that the</p> <p>3 board authorize adjusting the ATE premium to</p> <p>4 68 million to account for the value of the</p> <p>5 underlying securities, that is the issue that we</p> <p>6 discussed earlier today in connection with</p> <p>7 Endorsement No. 1?</p> <p>8 <b>A I believe so.</b></p> <p>9 Q Does this help refresh your recollection</p> <p>10 as to when Endorsement No. 1 was executed?</p> <p>11 <b>A It doesn't.</b></p> <p>12 Q You don't know if Endorsement No. 1 would</p> <p>13 have been executed around the time that the</p> <p>14 auditors and the actuary made the recommendation</p> <p>15 to make the adjustment?</p> <p>16 <b>A Possibly. I just don't recall when it was</b></p> <p>17 <b>actually completed.</b></p> <p>18 Q Okay. Same thing for the next bullet, you</p> <p>19 don't -- I realize they're not bullets, but same</p> <p>20 thing for the next entry, you don't -- says here:</p> <p>21 Premium readjusted to 59 million. That is</p> <p>22 consistent with Endorsement No. 2 that we looked</p> <p>23 at, right?</p> <p>24 <b>A That's right.</b></p> <p>25 Q Okay. But that -- you still don't know if</p>
<p>314</p> <p>1 <b>A I'm not entirely sure.</b></p> <p>2 Q You just at some point came to know it?</p> <p>3 <b>A Right. At least after Sentinel was</b></p> <p>4 <b>audited for the year of 2017, had there been an</b></p> <p>5 <b>issue with CIMA with the policy, we would have --</b></p> <p>6 <b>Sentinel would have heard about that.</b></p> <p>7 Q Okay. So then with respect to</p> <p>8 August 2017, who would have provided you with that</p> <p>9 information?</p> <p>10 <b>A I'm not sure.</b></p> <p>11 Q Would that be Mr. Sevilla?</p> <p>12 <b>A I'm not sure.</b></p> <p>13 Q Did anybody besides Mr. Sevilla or</p> <p>14 Ms. Irving help you put together this deck?</p> <p>15 <b>A I don't believe so.</b></p> <p>16 Q Okay. So it was either Ms. Irving or</p> <p>17 Mr. Sevilla?</p> <p>18 <b>A Oh, I'm sorry, I thought you were asking a</b></p> <p>19 <b>different question. I thought you were -- yes.</b></p> <p>20 <b>Mr. Sevilla would have provided this August '17</b></p> <p>21 <b>bullet.</b></p> <p>22 Q And then for the January bullet, that's</p> <p>23 the VRC valuations that we discussed earlier</p> <p>24 today?</p> <p>25 <b>A That's right.</b></p>	<p>315</p> <p>1 Endorsement No. 2 was executed around this time?</p> <p>2 <b>A I don't.</b></p> <p>3 Q Okay. Is that something that you would</p> <p>4 have sat on?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 <b>A Sat on, what do you mean?</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q Well, if the -- if a recommendation was</p> <p>9 made to the board to authorize doing something,</p> <p>10 would they have waited a long time to actually do</p> <p>11 it?</p> <p>12 <b>A Oh. Generally, no.</b></p> <p>13 Q And then here it says: Sentinel audit</p> <p>14 issued with third-party valuations and actuary</p> <p>15 approved premium.</p> <p>16 Is that an audit by Crowe?</p> <p>17 <b>A Yes.</b></p> <p>18 Q Okay. Was that a special audit outside of</p> <p>19 an annual audit?</p> <p>20 <b>A No, it was late that year. It was a</b></p> <p>21 <b>June 30th deadline and if it was filed in July,</b></p> <p>22 <b>Sentinel would have had to request an extension</b></p> <p>23 <b>from CIMA.</b></p> <p>24 Q Do you know why CIMA was -- well, did CIMA</p> <p>25 ask you to provide a timeline of the policy?</p> <p>316</p>



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<p>317</p> <p>1 MS. SMITH: Objection to form.</p> <p>2 <b>A I don't recall.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Do you know why this information was</p> <p>5 important to convey to CIMA?</p> <p>6 <b>A Possibly they may have asked for it. I'm</b></p> <p>7 <b>not sure. We could have been proactive in</b></p> <p>8 <b>preparing this deck, thinking it useful for them</b></p> <p>9 <b>to see it laid out like this.</b></p> <p>10 Q So to the best of your recollection, CIMA</p> <p>11 hadn't asked any questions about the timeline for</p> <p>12 the policy?</p> <p>13 <b>A I don't recall.</b></p> <p>14 Q If you look at the next slide, this slide</p> <p>15 is entitled Business Rationale, The Insureds. Who</p> <p>16 would have provided the information for this</p> <p>17 slide?</p> <p>18 <b>A Probably Mr. Sevilla.</b></p> <p>19 Q Okay. So is it your understanding that</p> <p>20 Mr. Sevilla negotiated the policy on behalf of the</p> <p>21 insureds?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 <b>A No.</b></p> <p>24 <b>BY MS. TOMKOWIAK:</b></p> <p>25 Q Okay. And you don't know who did?</p>	<p>319</p> <p>1 <b>insureds?</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Yes.</p> <p>4 <b>A Sorry, the insureds' ability to satisfy a</b></p> <p>5 <b>judgment? I only considered this in the lens</b></p> <p>6 <b>of -- through the lens of the policy, so the</b></p> <p>7 <b>insureds could satisfy up to the limits of the</b></p> <p>8 <b>policy.</b></p> <p>9 Q Were you told -- was there any reason that</p> <p>10 Sentinel was better at liquidating the assets than</p> <p>11 the funds?</p> <p>12 MS. SMITH: Objection to form.</p> <p>13 <b>A I don't think that's what this is saying.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q I'm just asking.</p> <p>16 <b>A I don't know that.</b></p> <p>17 Q Okay. If you look at the next slide, do</p> <p>18 you know who would have provided this information</p> <p>19 regarding the business rationale from Sentinel's</p> <p>20 point of view?</p> <p>21 <b>A This probably would have been myself and</b></p> <p>22 <b>Mr. Sevilla together.</b></p> <p>23 Q Okay. And so Mr. Sevilla provided both</p> <p>24 sides' rationale, for the insureds and Sentinel?</p> <p>25 <b>A In part.</b></p>
<p>318</p> <p>1 <b>A I don't.</b></p> <p>2 Q So how would Mr. Sevilla had known what</p> <p>3 the insureds' business rationale was?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 <b>A I don't know.</b></p> <p>6 <b>BY MS. TOMKOWIAK:</b></p> <p>7 Q Did you ask him?</p> <p>8 <b>A I don't remember asking him.</b></p> <p>9 Q Did he prepare this slide or did you?</p> <p>10 <b>A He probably sent me the language and I had</b></p> <p>11 <b>the pen on the deck, I guess.</b></p> <p>12 Q In the third bullet point here it says:</p> <p>13 Essentially turned an illiquid portfolio into a</p> <p>14 liquid one. Future cash generation to pay counsel</p> <p>15 and potentially satisfy a judgment was, prior to</p> <p>16 the ATE policy, questionable at best. Avoided a</p> <p>17 fire sale of assets.</p> <p>18 Do you see that?</p> <p>19 <b>A I do.</b></p> <p>20 Q And after the portfolio was transferred to</p> <p>21 Sentinel, did you believe that the potential to</p> <p>22 satisfy a judgment was no longer questionable?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 <b>A Did I believe the potential to satisfy a</b></p> <p>25 <b>judgment in court, like in -- on behalf of the</b></p>	<p>320</p> <p>1 Q And how did you get the information</p> <p>2 regarding the business rationale?</p> <p>3 <b>A How did I receive the information?</b></p> <p>4 Q How did you get it? You weren't there</p> <p>5 when the policy was entered into, you didn't</p> <p>6 negotiate it. You told me earlier today that you</p> <p>7 didn't know who did. So who would you have</p> <p>8 reached out to to understand Sentinel's business</p> <p>9 rationale for entering into the policy?</p> <p>10 <b>A Well, I would have discussed that most</b></p> <p>11 <b>likely with Mr. Sevilla.</b></p> <p>12 Q What about the independent directors?</p> <p>13 Would you have discussed that with them?</p> <p>14 <b>A The business rationale?</b></p> <p>15 Q Yes.</p> <p>16 <b>A With the current directors?</b></p> <p>17 Q Yeah.</p> <p>18 <b>A No, probably not.</b></p> <p>19 Q In that last bullet it says that the board</p> <p>20 and advisory committee were satisfied that this</p> <p>21 was an economically feasible transaction even if</p> <p>22 the policy limits were ultimately reached.</p> <p>23 Did you understand that even if Sentinel</p> <p>24 had to pay out the full policy limit, it would</p> <p>25 still be solvent? Is that what that means?</p>

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<p>321</p> <p>1 <b>A That's what that's saying, that Sentinel</b>  2 <b>could pay the policy and survive.</b>  3 Q Okay. And then if you look at the last  4 slide; do you know who prepared this slide?  5 <b>A This probably -- again, I prepared all the</b>  6 <b>slides, but this information probably would have</b>  7 <b>come from Katie.</b>  8 Q And when it says, CIMA approved Sentinel  9 structure, we looked at an e-mail earlier today  10 from April 2019 where you were discussing the fact  11 that CIMA had asked for the structure to be  12 simplified?  13 <b>A That's right.</b>  14 Q By this point in time, had the structure  15 actually been simplified or was this aspirational  16 this is what it was going to look like?  17 <b>A I don't know. This is -- I know this is</b>  18 <b>what it was -- what CIMA asked for. I don't know</b>  19 <b>if the work had been done yet.</b>  20 Q How long did this presentation last?  21 <b>A Probably an hour or so.</b>  22 Q And what actions, if any, did CIMA take  23 after this presentation?  24 <b>A Actions, I'm not entirely sure.</b>  25 Q Well, why were you making this</p>	<p>323</p> <p>1 We are back on the record.  2 BY MS. TOMKOWIAK:  3 Q Okay. Mr. DiOrio, while you were employed  4 at Highland, did you ever come to know that  5 Mr. Dondero had an ownership interest in Sentinel?  6 MS. SMITH: Objection to form.  7 BY MS. TOMKOWIAK:  8 Q Yes or no?  9 <b>A Did I ever come to know that he had an</b>  10 <b>ownership interest? Yes.</b>  11 Q While you were employed at Highland, did  12 you ever come to know that Mr. Ellington had an  13 ownership interest in Sentinel?  14 MS. SMITH: Objection to form.  15 <b>A Yes.</b>  16 BY MS. TOMKOWIAK:  17 Q Okay. I am handing the court reporter an  18 exhibit to mark as -- document to mark as  19 Exhibit 85.  20 (Deposition Exhibit 85 marked for  21 identification.)  22 BY MS. TOMKOWIAK:  23 Q Take a look at that and let me know when  24 you're ready.  25 (Witness reviews document.)</p>
<p>322</p> <p>1 presentation to them?  2 <b>A To -- again, as part of the inspection</b>  3 <b>process.</b>  4 Q So did they complete their inspection  5 after this?  6 <b>A At some point in 2019 they did. I believe</b>  7 <b>it was after this.</b>  8 Q Would you have received a copy of that  9 inspection?  10 <b>A Probably.</b>  11 Q Do you recall CIMA asking any questions  12 during either of those presentations? Well, let's  13 stick with this one. Do you recall CIMA asking  14 you any questions during that presentation?  15 <b>A Not specific questions, but I know they</b>  16 <b>did. There was a conversation.</b>  17 Q And who responded to those questions?  18 <b>A Myself or Mr. Sevilla.</b>  19 MS. TOMKOWIAK: Let's go off the record  20 very shortly.  21 THE VIDEOGRAPHER: We are off the record  22 at 6:29 p.m.  23 (Recess taken from 6:29 p.m. CDT to  24 6:48 p.m. CDT)  25 THE VIDEOGRAPHER: The time is 6:48 p.m.</p>	<p>324</p> <p>1 <b>A Okay.</b>  2 BY MS. TOMKOWIAK:  3 Q Okay. Do you recall working with --  4 working with folks at Highland and attorneys at  5 the Pachulski firm in January 2021 to track down  6 the physical certificates of the Greenbriar shares  7 that we were talking about earlier today?  8 <b>A Yes.</b>  9 Q Okay. And at the time that -- at the time  10 of this e-mail, were you aware that the original  11 certificates had been lost?  12 MS. SMITH: Objection to form.  13 <b>A Which e-mail? There seems to be a lot on</b>  14 <b>here.</b>  15 BY MS. TOMKOWIAK:  16 Q On January 21st, were you aware that the  17 original certificates had been lost and were never  18 transferred to Sentinel?  19 <b>A Is that back --</b>  20 Q I'm just asking whether on -- I believe  21 earlier today that we talked about this issue  22 where the physical certificates got lost somehow,  23 right?  24 <b>A Yeah.</b>  25 Q Okay. And did you know that prior to</p>

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<p>1 January 21st, 2021?</p> <p>2 <b>A Yes. Probably -- yes.</b></p> <p>3 Q Okay. And if you look at the Bates number</p> <p>4 ending 4482, at the very bottom of the page,</p> <p>5 Mr. Demo writes to you: The time sensitivity is</p> <p>6 more on figuring out what happened to the original</p> <p>7 certificate.</p> <p>8 Do you see that?</p> <p>9 <b>A I do.</b></p> <p>10 Q Okay. And so do you understand that</p> <p>11 Mr. Demo was trying to understand what happened to</p> <p>12 the original Greenbriar certificates?</p> <p>13 MS. SMITH: Objection, form.</p> <p>14 <b>A That's what he's saying.</b></p> <p>15 <b>BY MS. TOMKOWIAK:</b></p> <p>16 Q Okay. Do you understand that to be his</p> <p>17 ask at the time?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A I believe his original -- are you</b></p> <p>20 <b>referring to the e-mail about I must have</b></p> <p>21 <b>understood the original ask or --</b></p> <p>22 <b>BY MS. TOMKOWIAK:</b></p> <p>23 Q Well, what did you think Mr. Demo was</p> <p>24 asking you to do in the first place?</p> <p>25 <b>A Initially, I don't see it on here, but I</b></p>	<p>325</p> <p>327</p> <p>1 <b>since obviously the shares never made it to</b></p> <p>2 <b>Sentinel, that they were still actually in CDO</b></p> <p>3 <b>Fund's name.</b></p> <p>4 Q Okay. And in your capacity as a director</p> <p>5 of Sentinel, did you think that that was okay to</p> <p>6 try to get physical certificates reissued in the</p> <p>7 name of CDO Fund even though Sentinel was supposed</p> <p>8 to be the owner of that asset?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A Not something I really considered.</b></p> <p>11 <b>BY MS. TOMKOWIAK:</b></p> <p>12 Q Were you planning to tell Sentinel that</p> <p>13 you were planning to get these certificates</p> <p>14 reissued in CDO Fund's instead of Sentinel's name?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 <b>A I didn't have a plan for informing</b></p> <p>17 <b>Sentinel.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Meaning you didn't plan to inform Sentinel</p> <p>20 or you don't know if you were going to inform</p> <p>21 Sentinel or not?</p> <p>22 <b>A I don't remember considering what to do</b></p> <p>23 <b>with respect to Sentinel.</b></p> <p>24 Q Did you think that this is kind of a</p> <p>25 conflict here because you're being asked to</p>
<p>326</p> <p>1 <b>believe he reached out to ask something about a</b></p> <p>2 <b>custody account with regards to Greenbriar.</b></p> <p>3 Q Okay. Well, you write here, as you point</p> <p>4 out: I must have misunderstood the original ask.</p> <p>5 I thought we were just trying to determine whether</p> <p>6 or not green -- I'm sorry -- whether or not CDO</p> <p>7 Fund was still the owner of these shares and then</p> <p>8 to have new certs issued once we determined they</p> <p>9 weren't held at BONY but that they were still</p> <p>10 receiving cash on behalf of CDO Fund.</p> <p>11 Is that what you thought Demo was asking</p> <p>12 you?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A Yes. I think if that's what I wrote,</b></p> <p>15 <b>that's probably what I meant.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q Okay. And did you tell Mr. Demo at the</p> <p>18 time, that CDO Fund had tried to transfer those</p> <p>19 certificates to Sentinel but that they had gotten</p> <p>20 lost?</p> <p>21 <b>A I don't believe I did.</b></p> <p>22 Q Okay. Why not?</p> <p>23 <b>A Because my task, as I understood it, was</b></p> <p>24 <b>to assist in issue -- helping issue, getting new</b></p> <p>25 <b>paper certificate shares issued and I believe</b></p>	<p>328</p> <p>1 reissue these certificates in the name of CDO Fund</p> <p>2 but Sentinel is supposed to be the owner of them?</p> <p>3 MS. SMITH: Objection to form.</p> <p>4 <b>A A conflict between who?</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q An inner conflict, a conflict between the</p> <p>7 two hats that you wear.</p> <p>8 <b>A Again, I didn't --</b></p> <p>9 MS. SMITH: Objection, form.</p> <p>10 <b>A I was trying to do this job and did not</b></p> <p>11 <b>consider other things that might impact it at the</b></p> <p>12 <b>time.</b></p> <p>13 <b>BY MS. TOMKOWIAK:</b></p> <p>14 Q Okay. And with respect to this job,</p> <p>15 again, you didn't think it was relevant to say CDO</p> <p>16 Fund actually tried to transfer those shares to</p> <p>17 Sentinel in August 2017 so CDO Fund is not --</p> <p>18 should not be the owner of those shares?</p> <p>19 MS. SMITH: Objection to form.</p> <p>20 <b>A No.</b></p> <p>21 <b>BY MS. TOMKOWIAK:</b></p> <p>22 Q Why not?</p> <p>23 <b>A It's, again, not what I was asked to do.</b></p> <p>24 Q So did you tell Mr. Demo that CDO Fund was</p> <p>25 still the owner of these shares?</p>

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<p>329</p> <p>1 MS. SMITH: Objection to form.</p> <p>2 <b>A I don't know.</b></p> <p>3 <b>BY MS. TOMKOWIAK:</b></p> <p>4 Q Did you think that reissuing these shares</p> <p>5 in the name of CDO Fund would be acting in the</p> <p>6 best interest of Sentinel?</p> <p>7 MS. SMITH: Objection to form.</p> <p>8 <b>A Again, I did not consider it.</b></p> <p>9 <b>BY MS. TOMKOWIAK:</b></p> <p>10 Q Okay. So when you were responding to</p> <p>11 Mr. Demo's e-mails, you just weren't acting at all</p> <p>12 in your capacity as Sentinel's director?</p> <p>13 MS. SMITH: Objection to form.</p> <p>14 <b>A I was trying to answer the questions</b></p> <p>15 <b>Mr. Demo was asking.</b></p> <p>16 <b>BY MS. TOMKOWIAK:</b></p> <p>17 Q And he didn't ask you if CDO Fund had</p> <p>18 tried to transfer the Greenbriar shares to</p> <p>19 Sentinel, so you didn't feel like you had to</p> <p>20 answer that question?</p> <p>21 MS. SMITH: Objection to form. Ms. --</p> <p>22 MS. TOMKOWIAK: Tomkowiak.</p> <p>23 MS. SMITH: -- Tomkowiak, there's</p> <p>24 extensive e-mails on this exhibit, and if you --</p> <p>25 if he looks at the whole thing, he can answer your</p>	<p>331</p> <p>1 Q Okay. And you write: Hi Guys. I am</p> <p>2 working with State Street to reissue physical</p> <p>3 certificates and will keep everyone in the loop on</p> <p>4 timing.</p> <p>5 How did -- prior to this, had you already</p> <p>6 tried working with State Street to reissue</p> <p>7 physical certificates?</p> <p>8 <b>A I don't remember the exact timing, but at</b></p> <p>9 <b>some point I would have reached out to State</b></p> <p>10 <b>Street.</b></p> <p>11 Q Okay. But was that in connection with</p> <p>12 trying to reissue the physical certificates to</p> <p>13 Sentinel?</p> <p>14 <b>A No.</b></p> <p>15 Q No. Okay. So prior to this e-mail, you</p> <p>16 had not reached out to State Street to try to</p> <p>17 reissue the physical certificates to Sentinel</p> <p>18 because they had been lost?</p> <p>19 <b>A I may had years -- several years prior,</b></p> <p>20 <b>but I don't have a specific recollection of that.</b></p> <p>21 Q Then later in your e-mail you say: The</p> <p>22 certificates were transferred in error in 2017 by</p> <p>23 Carter Chism, who no longer works at HCM, and the</p> <p>24 recipients never took delivery.</p> <p>25 Do you see that?</p>
<p>330</p> <p>1 question without focusing on the one paragraph on</p> <p>2 the page that you are talking about.</p> <p>3 MS. TOMKOWIAK: Okay. I noted your</p> <p>4 objection. I have limited time left on the</p> <p>5 record, so if we could limit the speaking</p> <p>6 objections so we can get through this and we can</p> <p>7 just get through the document.</p> <p>8 <b>BY MS. TOMKOWIAK:</b></p> <p>9 Q You have the whole document in front of</p> <p>10 you. I have told you that you can always look at</p> <p>11 another part of the document if you need to to</p> <p>12 answer my question.</p> <p>13 <b>A Okay.</b></p> <p>14 Q Okay. So my question is, and he didn't</p> <p>15 ask you if CDO Fund had tried to transfer the</p> <p>16 Greenbriar shares to Sentinel so you didn't feel</p> <p>17 like you had to answer that question, right?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A I think that's right.</b></p> <p>20 <b>BY MS. TOMKOWIAK:</b></p> <p>21 Q Okay. And if you look at your e-mail on</p> <p>22 Wednesday, January 27th, that's at the Bates</p> <p>23 number ended 4478. It's at 2:10 p.m. on</p> <p>24 Wednesday, January 27th.</p> <p>25 <b>A Okay.</b></p>	<p>332</p> <p>1 <b>A I do.</b></p> <p>2 Q Okay. What did you mean by transferred in</p> <p>3 error?</p> <p>4 <b>A Well, if they never arrived where they</b></p> <p>5 <b>were supposed to and were lost, I call that an</b></p> <p>6 <b>error.</b></p> <p>7 Q Okay. So you don't mean that Mr. Chism</p> <p>8 wasn't supposed to transfer them, you just mean he</p> <p>9 didn't do it right?</p> <p>10 MS. SMITH: Objection to form.</p> <p>11 <b>A I can't really speculate on what Carter</b></p> <p>12 <b>Chism did or did not do. I just know that</b></p> <p>13 <b>certificates ended up lost.</b></p> <p>14 <b>BY MS. TOMKOWIAK:</b></p> <p>15 Q Right. These are -- but these are your</p> <p>16 words and I just want to make sure I understand</p> <p>17 the error. The error was that he didn't execute</p> <p>18 the transfers properly?</p> <p>19 <b>A I believe so.</b></p> <p>20 Q Not that he transferred them by mistake or</p> <p>21 tried to transfer them by mistake?</p> <p>22 <b>A I believe so.</b></p> <p>23 Q And the recipient never took delivery. By</p> <p>24 recipient, you mean Sentinel, right?</p> <p>25 <b>A That's right.</b></p>

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<p>333</p> <p>1 Q Is there a reason you didn't say Sentinel?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>A I believe if you follow the e-mail chain</b></p> <p>4 <b>when I was asked, I offered that up.</b></p> <p>5 <b>BY MS. TOMKOWIAK:</b></p> <p>6 Q And you didn't think it was misleading not</p> <p>7 to just mention right here who the recipient was?</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 <b>A No. My task was to find and help reissue</b></p> <p>10 <b>the certificates. If they were lost, they were</b></p> <p>11 <b>lost. And when I was directly asked, I answered.</b></p> <p>12 <b>BY MS. TOMKOWIAK:</b></p> <p>13 Q And you don't think it -- so did you make</p> <p>14 a conscious decision here not to say Sentinel and</p> <p>15 instead say recipient?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 <b>A I don't recall.</b></p> <p>18 <b>BY MS. TOMKOWIAK:</b></p> <p>19 Q Did you think it was relevant who the</p> <p>20 recipient was?</p> <p>21 MS. SMITH: Objection to form.</p> <p>22 <b>A When asked, I answered.</b></p> <p>23 <b>BY MS. TOMKOWIAK:</b></p> <p>24 Q I understand, but is there a reason that</p> <p>25 you didn't just offer that information in the</p>	<p>335</p> <p>1 <b>BY MS. TOMKOWIAK:</b></p> <p>2 Q But my question is you knew that they were</p> <p>3 transferred to Maples as custodian for Sentinel,</p> <p>4 right?</p> <p>5 <b>A Which is what I said.</b></p> <p>6 Q Okay. So you -- my understanding is</p> <p>7 synonymous with I know they were transferred to</p> <p>8 Maples?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 <b>A It's my understanding.</b></p> <p>11 <b>BY MS. TOMKOWIAK:</b></p> <p>12 Q And then Mr. Demo asked you: Do you -- do</p> <p>13 we have any visibility into who Sentinel</p> <p>14 Reinsurance is, who owns them, what do they do,</p> <p>15 et cetera.</p> <p>16 Do you see that on Bates ending 4476?</p> <p>17 <b>A I do.</b></p> <p>18 Q Okay. And then your response is: It is a</p> <p>19 nondebtor, nonaffiliate reinsurance company and I</p> <p>20 do not know who or how it's owned.</p> <p>21 Was that true, Mr. DiOrio?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 <b>A Yeah. I don't generally -- my</b></p> <p>24 <b>understanding of the high-level ownership does not</b></p> <p>25 <b>mean I know how it's owned, meaning what structure</b></p>
<p>334</p> <p>1 first place?</p> <p>2 MS. SMITH: Objection to form.</p> <p>3 <b>A Not that I recall.</b></p> <p>4 <b>BY MS. TOMKOWIAK:</b></p> <p>5 Q Okay. So then Mr. Romey -- is it Romey or</p> <p>6 Romey?</p> <p>7 <b>A I think it's Romey.</b></p> <p>8 Q Okay. So then Mr. Romey asked Matt: Who</p> <p>9 was the intended recipient of the transfer</p> <p>10 initiated by Carter?</p> <p>11 And you respond: My understanding is that</p> <p>12 they were transferred to Maples FS in Cayman as</p> <p>13 custodian for Sentinel Reinsurance.</p> <p>14 Do you see that?</p> <p>15 <b>A I do.</b></p> <p>16 Q Is there a reason that you qualified that</p> <p>17 with my understanding?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 <b>A Just like -- I think if you look back at</b></p> <p>20 <b>the power of attorney with CIBC with those other</b></p> <p>21 <b>shares, you don't transfer directly to the</b></p> <p>22 <b>company; you transfer the certificates to a</b></p> <p>23 <b>custodian. So that was a meaningful -- you should</b></p> <p>24 <b>call it a qualification, but that's a meaningful</b></p> <p>25 <b>fact.</b></p>	<p>336</p> <p>1 <b>it sits in and all that stuff.</b></p> <p>2 <b>BY MS. TOMKOWIAK:</b></p> <p>3 Q Well, you knew that it was owned in part</p> <p>4 by Mr. Dondero?</p> <p>5 MS. SMITH: Objection to form.</p> <p>6 <b>A Yes.</b></p> <p>7 <b>BY MS. TOMKOWIAK:</b></p> <p>8 Q You knew that it was owned at least in</p> <p>9 part by Mr. Ellington?</p> <p>10 <b>A That's right.</b></p> <p>11 Q So did you expect Mr. Demo to ask you</p> <p>12 those specific questions before you offered that</p> <p>13 information?</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 <b>A He did ask those -- I'm sorry, I'm not</b></p> <p>16 <b>following. He did ask those questions.</b></p> <p>17 <b>BY MS. TOMKOWIAK:</b></p> <p>18 Q Well, he asked who owns Sentinel</p> <p>19 Reinsurance, right?</p> <p>20 <b>A Yeah.</b></p> <p>21 Q Okay. And you didn't tell him Mr. Dondero</p> <p>22 and Mr. Ellington owned part of it, right?</p> <p>23 <b>A Right.</b></p> <p>24 Q Why not?</p> <p>25 <b>A They don't, as I understand it, personally</b></p>

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<p>337</p> <p>1 own it directly, you know, like one layer up, I</p> <p>2 guess. So I can't honestly -- I can't honestly</p> <p>3 tell him I know how or who it's ultimately owned</p> <p>4 through an entity through something else. I don't</p> <p>5 know.</p> <p>6 Q You have those structure charts, you have</p> <p>7 the whole structure of Sentinel's ownership.</p> <p>8 MS. SMITH: Objection to form.</p> <p>9 A I've seen the structure charts.</p> <p>10 BY MS. TOMKOWIAK:</p> <p>11 Q You presented the structure to CIMA in</p> <p>12 2019?</p> <p>13 A That's right. This is 2021.</p> <p>14 Q Right. So you -- in 2021, you didn't know</p> <p>15 if that was the structure of Sentinel?</p> <p>16 A I don't remember the structure. I</p> <p>17 couldn't draw it out for you, for example. So if</p> <p>18 I don't know anything 100 percent, that's why I</p> <p>19 didn't offer it.</p> <p>20 Q Why didn't you just explain that to</p> <p>21 Mr. Demo, hey, I -- why didn't you just explain</p> <p>22 that to Mr. Demo?</p> <p>23 MS. SMITH: Objection to form.</p> <p>24 A I wanted as little to do with Pachulski as</p> <p>25 possible, so I answered the questions and waited</p>	<p>339</p> <p>1 A I don't think that would have been</p> <p>2 helpful.</p> <p>3 BY MS. TOMKOWIAK:</p> <p>4 Q Why not?</p> <p>5 A He didn't ask.</p> <p>6 Q Well, he asked what do they do and did you</p> <p>7 respond to that?</p> <p>8 A I think by saying it is a nondebtor</p> <p>9 nonaffiliate reinsurance company. It's a</p> <p>10 reinsurance company, so that's what they do. I</p> <p>11 think that's an answer.</p> <p>12 Q And you don't think there's any other</p> <p>13 details that you could have provided that would</p> <p>14 have been helpful to Mr. Demo?</p> <p>15 MS. SMITH: Objection to form.</p> <p>16 A Again, I was answering the questions I was</p> <p>17 asked.</p> <p>18 BY MS. TOMKOWIAK:</p> <p>19 Q You agree that you had more information</p> <p>20 about Sentinel and you just chose not to disclose</p> <p>21 it to Mr. Demo at this time?</p> <p>22 A I wasn't asked.</p> <p>23 Q So if Mr. Demo had asked you are you a</p> <p>24 director of Sentinel, you would have said what?</p> <p>25 A I would have said yes.</p>
<p>338</p> <p>1 for the next one.</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q So you wanted as little to do as possible</p> <p>4 with counsel for the independent board of the</p> <p>5 entity that you were still employed with?</p> <p>6 MS. SMITH: Objection to form.</p> <p>7 A Are they counsel to the debtor or the</p> <p>8 board?</p> <p>9 BY MS. TOMKOWIAK:</p> <p>10 Q At some point in time, the independent</p> <p>11 board had control of the debtor and Mr. Seery</p> <p>12 became the CEO.</p> <p>13 A Okay.</p> <p>14 MS. SMITH: Objection to form.</p> <p>15 A Again, I was trying to be helpful doing</p> <p>16 what I was asked. I don't report to Mr. Demo, I</p> <p>17 never did. I think here I'm being as helpful as I</p> <p>18 can be.</p> <p>19 BY MS. TOMKOWIAK:</p> <p>20 Q Did you tell Mr. Demo that you were a</p> <p>21 director of Sentinel?</p> <p>22 A No. I don't think so.</p> <p>23 Q Don't you think that would have been more</p> <p>24 helpful than your response?</p> <p>25 MS. SMITH: Objection to form.</p>	<p>340</p> <p>1 Q And by providing this answer, you don't</p> <p>2 think you were conveying, this is all I know about</p> <p>3 Sentinel Reinsurance?</p> <p>4 MS. SMITH: Objection to form.</p> <p>5 A No, because I was asked follow-up</p> <p>6 questions that I answered.</p> <p>7 BY MS. TOMKOWIAK:</p> <p>8 Q Mr. Romey then responds to you: They are</p> <p>9 part of the MSCF redemption group, correct?</p> <p>10 A Yes, he asked that.</p> <p>11 Q You see that? And you respond: Yes, I</p> <p>12 believe that's correct.</p> <p>13 Do you see that?</p> <p>14 A I do.</p> <p>15 Q And then Mr. Demo writes: Matt, Two</p> <p>16 follow ups.</p> <p>17 And then the second follow-up is: Can you</p> <p>18 please send us Sentinel's subscription documents</p> <p>19 in MSCF and their redemption request?</p> <p>20 Do you see that?</p> <p>21 A I do.</p> <p>22 Q And you respond: 2, I do not have any of</p> <p>23 those documents.</p> <p>24 Do you see that?</p> <p>25 MS. SMITH: Objection to form.</p>

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<p>341</p> <p>1 A I see that.</p> <p>2 BY MS. TOMKOWIAK:</p> <p>3 Q Was that true?</p> <p>4 A I believe so.</p> <p>5 Q Why?</p> <p>6 A Any record I would have had of</p> <p>7 subscription or redemption most likely would have</p> <p>8 been in my SAS e-mail or on my old tablet that was</p> <p>9 stolen out of my car.</p> <p>10 Q Did you not have access to your SAS e-mail</p> <p>11 at this time?</p> <p>12 A I don't believe I did.</p> <p>13 Q And you don't think that your answer</p> <p>14 suggested that you never had any of those</p> <p>15 documents?</p> <p>16 MS. SMITH: Objection to form.</p> <p>17 A He said can you please send us the</p> <p>18 documents, and I said I don't have them.</p> <p>19 BY MS. TOMKOWIAK:</p> <p>20 Q And you didn't think it was relevant to</p> <p>21 say I can get them for you?</p> <p>22 MS. SMITH: Objection to form.</p> <p>23 A No. I assumed they were on -- whoever</p> <p>24 does the shareholder registration would have had</p> <p>25 them, whoever at Highland does that.</p>	<p>343</p> <p>1 Highland funds liability to UBS?</p> <p>2 A I did not.</p> <p>3 Q You signed a confidentiality -- I'm sorry.</p> <p>4 Have you seen the confidentiality agreement in</p> <p>5 connection with this matter?</p> <p>6 A I believe so.</p> <p>7 Q I am handing you what's been previously</p> <p>8 marked as Exhibit 65. This is a Confidentiality</p> <p>9 Agreement. Have you seen this document before?</p> <p>10 (Witness reviews document.)</p> <p>11 A I believe so.</p> <p>12 BY MS. TOMKOWIAK:</p> <p>13 Q Did you authorize your counsel to enter</p> <p>14 into this agreement on your behalf?</p> <p>15 A I believe so, yes.</p> <p>16 Q And have you -- do you understand what</p> <p>17 your obligations are under this confidentiality</p> <p>18 agreement?</p> <p>19 A I think so.</p> <p>20 Q Have you abided by them?</p> <p>21 A I believe I have.</p> <p>22 Q Have you discussed the materials that were</p> <p>23 provided to you with anybody other than your</p> <p>24 counsel?</p> <p>25 A No.</p>
<p>342</p> <p>1 BY MS. TOMKOWIAK:</p> <p>2 Q Whoever at Highland does the shareholder</p> <p>3 registration for who?</p> <p>4 A Or the subscriptions and redemptions,</p> <p>5 excuse me, for Multi Strat.</p> <p>6 Q And you didn't think it was relevant to</p> <p>7 tell Mr. Demo that you had filled out a redemption</p> <p>8 request on Sentinel's behalf?</p> <p>9 MS. SMITH: Objection to form.</p> <p>10 A I didn't.</p> <p>11 BY MS. TOMKOWIAK:</p> <p>12 Q Is that because he didn't ask you?</p> <p>13 A Yes.</p> <p>14 Q At any point in time prior to your</p> <p>15 termination from Highland, did you tell anybody on</p> <p>16 the independent board that you were a director of</p> <p>17 Sentinel?</p> <p>18 MS. SMITH: Objection to form.</p> <p>19 A No. I had very little interaction with</p> <p>20 the independent board.</p> <p>21 BY MS. TOMKOWIAK:</p> <p>22 Q At any point in time prior to your</p> <p>23 termination from Highland, did you tell anybody on</p> <p>24 the independent board that Sentinel Reinsurance</p> <p>25 had issued a \$100 million ATE policy to cover the</p>	<p>344</p> <p>1 MS. TOMKOWIAK: I have no further</p> <p>2 questions. I would like to just make sure that</p> <p>3 this transcript is marked and the materials are</p> <p>4 marked highly confidentiality pursuant to the</p> <p>5 confidentiality agreement.</p> <p>6 MS. DANDENEAU: I don't know how much time</p> <p>7 you have left. Does Mr. Feinstein want to ask any</p> <p>8 questions?</p> <p>9 MS. TOMKOWIAK: Mr. Feinstein, do you want</p> <p>10 to ask any questions?</p> <p>11 MR. FEINSTEIN: No. As indicated</p> <p>12 yesterday, we have plenty of questions, but we're</p> <p>13 not going to address them today. We'll address</p> <p>14 them in some other proceeding or forum, so we do</p> <p>15 not have any questions for the witness today.</p> <p>16 MS. TOMKOWIAK: Okay.</p> <p>17 THE VIDEOGRAPHER: Is that it?</p> <p>18 MS. TOMKOWIAK: That's it.</p> <p>19 THE VIDEOGRAPHER: This ends the</p> <p>20 videotaped deposition of Matthew DiOrio. The time</p> <p>21 is 7:15 p.m. We are off the record.</p> <p>22 (Deposition concluded at 7:15 p.m. CDT)</p> <p>23</p> <p>24</p> <p>25</p>

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## ACKNOWLEDGMENT OF DEPONENT

I, MATTHEW T. DiORIO, do hereby  
acknowledge that I have read and examined the  
foregoing testimony, and the same is a true,  
correct and complete transcription of the  
testimony given by me and any corrections appear  
on the attached Errata sheet signed by me.

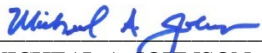
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(DATE) (SIGNATURE)

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## REPORTER'S CERTIFICATION

I, Micheal A. Johnson, the officer before  
whom the foregoing deposition was taken, do hereby  
certify that the foregoing transcript is a true  
and correct record of the testimony given; that  
said testimony was taken by me stenographically  
and thereafter reduced to typewriting under my  
direction; that reading and signing was requested;  
and that I am neither counsel for, related to, nor  
employed by any of the parties to this case and  
have no interest, financial or otherwise, in its  
outcome.

IN WITNESS WHEREOF, I have hereunto set my  
hand this 28th day of July, 2021.

  
\_\_\_\_\_  
MICHEAL A. JOHNSON, RDR, CRR  
NOTARY PUBLIC IN AND FOR  
THE STATE OF TEXAS